



CITY OF ORANGE TOWNSHIP  
FINANCIAL STATEMENTS  
WITH  
INDEPENDENT AUDITORS' REPORT  
AND  
REPORT ON INTERNAL CONTROL AND COMPLIANCE  
DECEMBER 31, 2018 AND 2017

CITY OF ORANGE TOWNSHIP  
TABLE OF CONTENTS

|   | <u>Exhibit</u> | <u>Page</u> |
|---|----------------|-------------|
| <u>Part I</u>   |                |             |
| Roster of Officials                                   |                | 1           |
| Independent Auditors' Report                          |                | 2           |
| <u>Financial Statements:</u>                          |                |             |
| <u>Current Fund</u>                                   |                |             |
| Comparative Balance Sheets                            | A              | 5           |
| Statements of Operations and Changes in Fund Balance  | A-1            | 7           |
| Statement of Revenue Regulatory Basis                 | A-2            | 8           |
| Statement of Revenue                                  | A-2a           | 9           |
| Statement of Revenue                                  | A-2b           | 10          |
| Statement of Revenue Analysis of Realized Tax Revenue | A-2c           | 11          |
| Statement of Revenue Analysis of Non-Budget Revenue   | A-2d           | 12          |
| Statement of Expenditures                             | A-3            | 13          |
| Statement of Expenditures                             | A-3a           | 20          |
| <u>Trust Funds</u>                                    |                |             |
| Comparative Balance Sheets                            | B              | 21          |
| <u>General Capital Fund</u>                           |                |             |
| Comparative Balance Sheets                            | C              | 22          |
| Statement of Fund Balance                             | C-1            | 23          |
| <u>Water/Sewer Utility Fund</u>                       |                |             |
| Comparative Balance Sheets                            | D              | 24          |
| Statements of Operations and Changes in Fund Balance  | D-1            | 26          |
| Statement of Fund Balance – Utility Capital Fund      | D-2            | 27          |
| Statement of Revenue Analysis of Revenue              | D-3            | 28          |
| Statement of Expenditures                             | D-4            | 29          |
| <u>General Fixed Assets Account Group</u>             |                |             |
| Comparative Balance Sheets Regulatory Basis           | E              | 30          |
| Notes to Financial Statements                         |                | 31          |

CITY OF ORANGE TOWNSHIP  
TABLE OF CONTENTS

|  | <u>Exhibit</u> | <u>Page</u> |
|--|----------------|-------------|
| <u>Part II</u>   |                |             |
| <u>Current Fund</u>  |                |             |
| Schedule of:   |                |             |
| Cash Receipts and Disbursements                                  | A-4            | 65          |
| Bank Reconciliation  | A-5            | 66          |
| Cash Receipts and Disbursements - Collector                      | A-6            | 67          |
| Change Funds   | A-7            | 68          |
| Petty Cash Funds   | A-8            | 68          |
| Due from State of New Jersey Per Chapter 129 P.L. 1976           | A-9            | 69          |
| Schedule of Taxes Receivable and Analysis of Property Tax Levy   | A-10           | 70          |
| Tax Title Liens  | A-11           | 71          |
| Schedule of Property Acquired for Taxes                          | A-12           | 71          |
| Sales Contract Receivable  | A-13           | 72          |
| Schedule of Loans Receivable                                     | A-14           | 73          |
| Schedule of Revenue Accounts Receivable                          | A-15           | 74          |
| Other Accounts Receivable  | A-16           | 75          |
| Deposits Receivable  | A-17           | 76          |
| Interfunds Receivable (Payable)                                  | A-18           | 77          |
| Deferred Charges   | A-19           | 78          |
| Deferred Charges N.J.S.A. 40A:4-55 Special Emergency             | A-20           | 79          |
| Grants Receivable  | A-21           | 80          |
| Appropriation Reserves   | A-22           | 83          |
| Accounts Payable   | A-23           | 86          |
| Federal and State Grant Fund Due to Grantors                     | A-24           | 86          |
| Tax Overpayments   | A-25           | 87          |
| Reserve Orange Reservoir   | A-26           | 87          |
| Prepaid Licenses   | A-27           | 88          |
| Emergency Notes  | A-28           | 88          |
| Reserve for Revaluation  | A-29           | 89          |
| Reserve for Salary Adjustments/PERS                              | A-30           | 89          |
| Federal and State Grant Fund Schedule of Unappropriated Reserves | A-31           | 90          |
| County Taxes Payable   | A-32           | 91          |
| School Taxes Payable   | A-33           | 91          |
| Prepaid Taxes  | A-34           | 92          |
| Deposits on Sale of Property                                     | A-35           | 92          |
| Federal and State Grant Fund Due To Current Fund                 | A-36           | 93          |
| Federal and State Grant Fund Reserve for Grant Expenditures      | A-37           | 94          |
| Schedule of Ground Lease Receivable                              | A-38           | 97          |
| Schedule of Refundable Deposits                                  | A-39           | 97          |

CITY OF ORANGE TOWNSHIP  
TABLE OF CONTENTS

|  | <u>Exhibit</u> | <u>Page</u> |
|--|----------------|-------------|
| <u>Part II - Continued</u>                                 |                |             |
| <u>Trust Funds</u>   |                |             |
| Schedule of:   |                |             |
| Cash Receipts & Disbursements - Treasurer                  | B-1            | 98          |
| Cash – Treasurer Schedule of Disbursements                 | B-2            | 99          |
| Bank Reconciliations                                       | B-3            | 100         |
| Essex County Community Development Block Grant Receivables | B-4            | 101         |
| Accounts Receivable  | B-5            | 102         |
| Interfunds Receivable/Payable                              | B-6            | 103         |
| Due to State of New Jersey                                 | B-7            | 104         |
| Reserve for Other Expenditures                             | B-8            | 105         |
| Reserve for Other Deposits                                 | B-9            | 106         |
| Reserve for New Jersey Unemployment                        | B-10           | 107         |
| Premium on Tax Sale  | B-11           | 108         |
| Interfunds   | B-12           | 109         |
| Reserve for Rehabilitation Refunds Grant Trust Fund        | B-13           | 110         |
| Reserve for Animal Control Fund Expenditures               | B-14           | 111         |
| Reserve for Municipal Insurance Trust Fund Expenditures    | B-15           | 112         |
| Reserve for Essex County Community Development Block Grant | B-16           | 113         |
| Reserve for Other Grant Fund Expenditures                  | B-17           | 114         |
| Reserve for Salary Account                                 | B-18           | 115         |
| Encumbrances   | B-19           | 116         |
| <br>   |                |             |
| <u>General Capital Fund</u>                                |                |             |
| Schedule of Cash – Treasurer                               | C-2            | 117         |
| Analysis of Cash   | C-3            | 118         |
| Grants Receivable  | C-4            | 119         |
| Loans Receivable   | C-5            | 120         |
| Schedule of Deferred Charges to Future Taxation Funded     | C-6            | 121         |
| Schedule of Deferred Charges to Future Taxation Unfunded   | C-7            | 122         |
| Schedule of Improvement Authorizations                     | C-8            | 123         |
| Schedule of Capital Improvement Fund                       | C-9            | 124         |
| Reserve for Debt Service                                   | C-10           | 125         |
| Reserve for Grants Receivable                              | C-11           | 125         |
| Encumbrances Payable                                       | C-12           | 126         |
| Reserve for Loan Proceeds                                  | C-13           | 126         |
| Interfunds (Payable)                                       | C-14           | 127         |
| N.J. Environmental Infrastructure Trust Loan Payable       | C-15           | 128         |
| Green Acres Trust Loan Payable – General                   | C-16           | 129         |
| General Refunding Bonds                                    | C-17           | 131         |
| Schedule of Bonds and Notes Authorized But Not Issued      | C-18           | 132         |
| Demolition Loan Payable                                    | C-19           | 133         |
| Schedule of School Promissory Notes                        | C-20           | 134         |

**CITY OF ORANGE TOWNSHIP  
TABLE OF CONTENTS**

|   | <u>Exhibit</u> | <u>Page</u> |
|---|----------------|-------------|
| <u>Part II - Continued</u>  |                |             |
| <u>Water/Sewer Utility Fund</u>   |                |             |
| Cash Receipts and Disbursements - Treasurer   | D-5            | 135         |
| Bank Reconciliations  | D-6            | 136         |
| Cash Receipts and Disbursements Water and Sewer Collections   | D-7            | 137         |
| Cash – Change Fund  | D-8            | 137         |
| Analysis of Capital Cash and Investments  | D-9            | 138         |
| Interfunds Receivable – Water Operating Fund  | D-10           | 139         |
| Consumer Accounts Receivable  | D-11           | 140         |
| Water and Sewer Lien Receivable   | D-12           | 140         |
| Loans Receivable  | D-13           | 141         |
| Fixed Capital   | D-14           | 142         |
| Fixed Capital Authorized and Uncompleted  | D-15           | 143         |
| 2017 Appropriation Reserves   | D-16           | 144         |
| Schedule of Interfund Receivable  | D-17           | 145         |
| Accrued Interest on Bonds   | D-18           | 146         |
| Water and Sewer Overpayments  | D-19           | 147         |
| Improvement Authorizations  | D-20           | 148         |
| Statement of Accounts Payable   | D-21           | 149         |
| Reserve of Amortization   | D-22           | 150         |
| Deferred Reserve for Amortization   | D-23           | 151         |
| N.J. Environmental Infrastructure Trust Loan Payable  | D-24           | 152         |
| Serial Bonds  | D-25           | 153         |
| Reserve for Future Improvements   | D-26           | 154         |
| Schedule of Deferred Charges  | D-27           | 155         |
| Schedule of Emergency Notes   | D-28           | 156         |
| Bonds and Notes Authorized and Unissued   | D-29           | 157         |
| Schedule of Encumbrances  | D-30           | 158         |
| Schedule of Bond Anticipation Notes   | D-31           | 159         |
| <br><u>Part III</u>   |                |             |
| Report on Internal Control Over Financial Reporting on Compliance and Other<br>Matters Based on an Audit of Financial Statements Performed in Accordance<br>with <i>Government Auditing Standards</i> |                | 160         |
| Schedule of Findings  |                | 162         |
| General Comments  |                | 168         |
| Recommendations   |                | 169         |

**CITY OF ORANGE TOWNSHIP**

**- - -**

**PART I**

**ROSTER OF OFFICIALS, INDEPENDENT AUDITORS' REPORT, FINANCIAL  
STATEMENTS AND SUPPLEMENTARY SCHEDULES**

**YEAR ENDED DECEMBER 31, 2018 AND 2017**

CITY OF ORANGE TOWNSHIP  
ROSTER OF OFFICIALS  
DECEMBER 31, 2018

MAYOR

Dwayne D. Warren

CITY COUNCIL

Kerry Coley, President  
Christopher Jackson, Vice President  
Tency A. Eason  
Jamie Summers-Johnson  
Harold J. Johnson, Jr.  
Donna K. Williams  
Adrienne Wooten

CITY ADMINISTRATOR

Christopher Hartwyk

DIRECTOR OF FINANCE

Adrian Mapp

CITY CLERK

Joyce L. Lanier

CITY ATTORNEY

Gracia Montilus

## Independent Auditors' Report

**The Honorable Mayor and Members  
of the City Council  
City of Orange Township  
County of Essex  
Orange, New Jersey**

### **Report on the Financial Statements**

We have audited the accompanying regulatory basis financial statements of the various funds and the governmental fixed assets of the City of Orange Township, County of Essex, New Jersey (the "City") which comprise the balance sheets as of and for the years ended December 31, 2018 and 2017, and the related statements of operations and changes in fund balances for the years then ended, the statements of changes in fund balances, statement of revenues, and statement of expenditures for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), as described in Note 1. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Division. Those standards and requirements prescribed by the Division require that we plan and perform the audit to obtain reasonable assurance about whether the regulatory basis financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1, the financial statements are prepared by the City on the basis of the financial reporting provisions of the Division to demonstrate compliance with the Division's regulatory basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly in accordance with accounting principles generally accepted in the United States of America the financial positions of the City of Orange Township, County of Essex, New Jersey as of December 31, 2018, and 2017 and the changes in financial position, and where applicable, its cash flows for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements - regulatory basis referred to above present fairly, in all material respects, the financial position of the various funds and governmental fixed assets of the City of Orange Township, Essex County, New Jersey, as of December 31, 2018 and 2017 and results of its operations and changes in fund balance for the years then ended, and statements of changes in fund balances, the statements of revenues and statement of expenditures of the various funds for the year ended December 31, 2018 in accordance with the financial reporting provisions of the Division, as described in Note 1 to the financial statements.

***Report on Supplementary Information Required by the Division in Accordance with Regulatory Basis***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City's basic financial statements. The information included in Part II – Fund Financial Statements and Part III – Supplementary Data (collectively, the "Supplementary Information"), as listed in the table of contents, is presented for purposes of additional analysis as required by the Division and is not a required part of the regulatory- basis financial statements of the City. Such information has been subject to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

**The Honorable Mayor and Members  
of the City Council  
City of Orange Township**  
Page 3

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report August 5, 2019 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*PKF O'Connor Davies, LLP*

August 5, 2019  
Cranford, New Jersey

*Francis M. McEnerney*

Francis M. McEnerney, CPA  
Licensed Registered Municipal Accountant, No. 539

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

A  
Sheet # 1

COMPARATIVE BALANCE SHEETS  
REGULATORY BASIS  
DECEMBER 31, 2018 AND 2017

ASSETS AND DEFERRED CHARGES

|  | <u>Ref.</u> | <u>2018</u>                 | <u>2017</u>                 |
|--|-------------|-----------------------------|-----------------------------|
| <u>CURRENT FUND</u>                              |             |                             |                             |
| Cash - Checking Accounts                         | A-4, A-5    | \$ 10,629,221.05            | \$ 13,303,893.24            |
| Cash - Change Funds                              | A-7         | 560.00                      | 560.00                      |
|  |             | <u>10,629,781.05</u>        | <u>13,304,453.24</u>        |
| <br>   |             |                             |                             |
| Due from State of New Jersey                     | A-9         | <u>116,736.74</u>           | <u>104,276.25</u>           |
| <br>   |             |                             |                             |
| Receivables and Other Assets with Full Reserves  |             |                             |                             |
| Delinquent Property Taxes                        | A-10        | 3,342,669.04                | 3,688,782.03                |
| Tax Title Liens                                  | A-11        | 3,405,107.54                | 2,794,819.70                |
| Property Acquired for Taxes - Assessed Valuation | A-12        | 856,500.00                  | 856,500.00                  |
| Sales Contracts Receivable                       | A-13        | 80,601.00                   | 80,601.00                   |
| Revenue Accounts Receivable                      | A-15        | 174,685.28                  | 113,448.11                  |
| Other Accounts Receivable                        | A-16        | 51,055.28                   |                             |
| Deposits Receivable                              | A-17        | 1,465.05                    | 1,465.05                    |
| Interfunds Receivable                            | A-18        | 667,660.05                  | 535,653.78                  |
| Prepaid Marriage License                         | A-27        | 2,247.00                    | 2,175.00                    |
| Ground Lease                                     | A-38        | 913,939.43                  | 904,890.52                  |
| Loans Receivable                                 | A-14        | 895,789.12                  | 882,775.00                  |
|  |             | <u>10,391,718.79</u>        | <u>9,861,110.19</u>         |
| <br>   |             |                             |                             |
| Deferred Charges                                 |             |                             |                             |
| Overexpenditures/Emergency Appropriation         | A-19        | 1,086,367.67                | 1,829,793.89                |
| Special Emergency Appropriation                  | A-20        | 600,000.00                  | 903,820.00                  |
|  |             | <u>1,686,367.67</u>         | <u>2,733,613.89</u>         |
|  |             | <br><u>22,824,604.25</u>    | <br><u>26,003,453.57</u>    |
| <br>   |             |                             |                             |
| <u>STATE AND FEDERAL GRANT FUND</u>              |             |                             |                             |
| Grants Receivable                                | A-21        | 7,924,320.10                | 7,223,154.85                |
|  |             | <u>7,924,320.10</u>         | <u>7,223,154.85</u>         |
|  |             | <br><u>\$ 30,748,924.35</u> | <br><u>\$ 33,226,608.42</u> |

See accompanying notes to financial statements.

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

A  
Sheet # 2

COMPARATIVE BALANCE SHEETS  
REGULATORY BASIS  
DECEMBER 31, 2018 AND 2017

|   | <u>Ref.</u> | <u>2018</u>             | <u>2017</u>             |
|---|-------------|-------------------------|-------------------------|
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> |             |                         |                         |
| Appropriation Reserves                        |             |                         |                         |
| Encumbered                                    | A-3, A-22   | \$ 2,851,159.00         | \$ 2,716,869.03         |
| Unencumbered                                  | A-3, A-22   | 1,547,267.22            | 1,263,394.29            |
| Accounts Payable                              | A-23        |                         | 427,499.67              |
| Tax Overpayments                              | A-25        | 715,095.63              | 200,874.99              |
| Special Emergency Note Payable                | A-28        | 1,100,000.00            | 2,620,000.00            |
| Schedule of Refundable Deposits               | A-39        | 302,245.22              | 456,122.34              |
| Reserve for Revaluations                      | A-29        | 44,475.09               | 44,475.09               |
| Reserve for Orange Reservoir                  | A-26        | 225,000.00              | 300,000.00              |
| Reserve for Salary Adjustments                | A-30        | 93,923.18               | 396,709.39              |
| Interfunds Payable                            | A-18        | 106,941.40              | 1,518,278.79            |
| Prepaid Taxes                                 | A-34        | 267,245.29              | 835,770.23              |
| Deposits on Sale of Property                  | A-35        | 5,410.00                | 3,110.00                |
| County Taxes Payable                          | A-32        | 37,780.86               | 23,297.55               |
| School Taxes Payable                          | A-33        | 94,999.83               | 94,999.83               |
|   |             | <u>7,391,542.72</u>     | <u>10,901,401.20</u>    |
| Reserve for Receivables                       |             | 10,391,718.79           | 9,861,110.19            |
| Fund Balance                                  | A-1         | 5,041,342.74            | 5,240,942.18            |
|   |             | <u>22,824,604.25</u>    | <u>26,003,453.57</u>    |
| <u>STATE AND FEDERAL GRANT FUND</u>           |             |                         |                         |
| Due to Current                                | A-36        | 629,605.38              | 535,653.78              |
| Due to Grantors                               | A-24        | 580,543.48              | 580,543.48              |
| Unappropriated Reserves                       | A-31        | 71,695.60               | 79,546.60               |
| Reserve for Grant Expenditures - Encumbered   | A-37        | 1,442,692.04            | 448,376.58              |
| Reserve for Grant Expenditures                | A-37        | 5,199,783.60            | 5,579,034.41            |
|   |             | <u>7,924,320.10</u>     | <u>7,223,154.85</u>     |
|   |             | <u>\$ 30,748,924.35</u> | <u>\$ 33,226,608.42</u> |

See accompanying notes to financial statements.

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

A-1

STATEMENTS OF OPERATIONS  
AND CHANGES IN FUND BALANCE  
REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

|   | <u>Ref.</u> | <u>2018</u>            | <u>2017</u>            |
|---|-------------|------------------------|------------------------|
| <u>REVENUE AND OTHER INCOME:</u>                        |             |                        |                        |
| Anticipated Fund Balance                                | A-2         | \$ 4,750,000.00        | \$ 4,760,548.00        |
| Miscellaneous Anticipated Revenue                       | A-2         | 17,204,540.86          | 15,749,551.17          |
| Receipts from Delinquent Taxes                          | A-2c        | 3,834,831.51           | 4,020,244.91           |
| Receipts from Current Taxes                             | A-2c        | 64,071,160.05          | 58,934,041.92          |
| Non-Budget Revenues                                     | A-2d        | 556,867.51             | 324,968.99             |
| Other Credit to Income:                                 |             |                        |                        |
| Cancellation of Accounts Payable                        | A-23        | 401,793.51             |                        |
| Other   |             |                        | 0.63                   |
| Interfund Returned                                      |             |                        | 331,109.91             |
| Other Accounts Receivable Realized                      | A-16        | 600.00                 | 104,975.73             |
| Liquidation of Prepaid School Tax Receivable            |             |                        | 51,237.38              |
| Cancellation of Salary Reserve                          | A-30        | 1,600,000.00           |                        |
| Lapsed Balances of Appropriation Reserves               | A-22        | 1,323,955.53           | 990,399.26             |
|   |             | <u>93,743,748.97</u>   | <u>85,267,077.90</u>   |
| <u>TOTAL REVENUE AND OTHER INCOME</u>                   |             |                        |                        |
| <u>EXPENDITURES:</u>                                    |             |                        |                        |
| Budget Appropriations:                                  |             |                        |                        |
| Operations Within "CAPS"                                |             | 50,283,024.80          | 49,433,630.50          |
| Deferred Charges and Statutory Expenditures - Municipal |             | 6,263,835.00           | 5,929,793.07           |
| Operations Excluded from "CAPS"                         |             | 8,757,782.26           | 6,058,111.04           |
| Municipal Debt Service                                  |             | 1,883,491.04           | 1,627,520.45           |
| Deferred Charges  |             | 1,946,885.00           | 653,820.00             |
| Type I School District Debt Service                     |             |                        | 334,797.84             |
|   | A-3a        | <u>69,135,018.10</u>   | <u>64,037,672.90</u>   |
| Prior Year Senior Citizens Disallowed                   |             |                        | 6,500.00               |
| Cancelations of Grant Receivables                       |             |                        | 104,148.68             |
| State Court Tax Appeal Judgements                       | A-25        | 353,375.35             | 792,130.18             |
| Grant Cancellation                                      | A-18        | 30,977.24              |                        |
| Interfund Advances                                      | A-16        | 132,006.27             |                        |
| Refund of Prior Year Revenue                            | A-4         | 445,399.61             |                        |
| County Taxes  | A-32        | 7,901,631.51           | 7,652,868.82           |
| Local District Taxes                                    | A-33        | 12,281,308.00          | 12,045,401.80          |
|   |             | <u>90,279,716.08</u>   | <u>84,638,722.38</u>   |
| <u>EXCESS OF REVENUES OVER EXPENDITURES</u>             |             | 3,464,032.89           | 628,355.52             |
| <u>ADJUSTMENTS TO INCOME BEFORE FUND BALANCE:</u>       |             |                        |                        |
| Expenditures Included Above Which By Statute Are        |             |                        |                        |
| Deferred Charges to Budget in Succeeding Year           | A-19        | 1,086,367.67           | 1,829,793.89           |
| <u>STATUTORY EXCESS</u>                                 |             | 4,550,400.56           | 2,458,149.41           |
| <u>FUND BALANCE, BEGINNING OF YEAR</u>                  | A           | <u>5,240,942.18</u>    | <u>7,543,340.77</u>    |
| Subtotal  |             | 9,791,342.74           | 10,001,490.18          |
| <u>UTILIZED AS ANTICIPATED REVENUE</u>                  | A-2         | <u>4,750,000.00</u>    | <u>4,760,548.00</u>    |
| <u>FUND BALANCE, END OF YEAR</u>                        | A           | <u>\$ 5,041,342.74</u> | <u>\$ 5,240,942.18</u> |

See accompanying notes to financial statements.

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

A-2

STATEMENT OF REVENUE  
REGULATORY BASIS  
AS OF DECEMBER 31, 2018

|                                      | <u>Ref.</u> | <u>Budget</u>               | <u>Realized</u>         | <u>Excess<br/>or (Deficit)</u> |
|--------------------------------------|-------------|-----------------------------|-------------------------|--------------------------------|
| Fund Balance                         | A-1         | \$ 4,750,000.00             | \$ 4,750,000.00         | \$                             |
| Miscellaneous Revenues               | A-1, A-2a   | 16,686,404.14               | 17,204,540.86           | 518,136.72                     |
| Receipts from Delinquent Taxes       | A-1, A-2c   | <u>4,000,000.00</u>         | <u>3,834,831.51</u>     | <u>(165,168.49)</u>            |
| Sub - Total General Revenue          |             | <u>25,436,404.14</u>        | <u>25,789,372.37</u>    | <u>352,968.23</u>              |
| Amount to be Raised by Taxation:     |             |                             |                         |                                |
| Local, Library and Additional School | A-2c        | <u>47,365,575.82</u>        | <u>48,638,220.54</u>    | <u>1,272,644.72</u>            |
|                                      |             | <u>47,365,575.82</u>        | <u>48,638,220.54</u>    | <u>1,272,644.72</u>            |
| Total General Revenue                |             | 72,801,979.96               | 74,427,592.91           | 1,625,612.95                   |
| Non-Budget Revenues                  | A-2d        | <u>                    </u> | <u>556,867.51</u>       | <u>556,867.51</u>              |
|                                      | A-3         | <u>\$ 72,801,979.96</u>     | <u>\$ 74,984,460.42</u> | <u>\$ 2,182,480.46</u>         |

See accompanying notes to financial statements.

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

STATEMENT OF REVENUES  
REGULATORY BASIS  
AS OF DECEMBER 31, 2018

A-2a

|  | <u>Ref.</u> | <u>Budget</u>           | <u>Chapter 159</u>     | <u>Realized</u>         | (Deficit) or<br><u>Excess</u> |
|--|-------------|-------------------------|------------------------|-------------------------|-------------------------------|
| <b>MISCELLANEOUS REVENUES:</b>                         |             |                         |                        |                         |                               |
| Licenses:  |             |                         |                        |                         |                               |
| Alcoholic Beverages                                    | A-15        | \$ 59,000.00            | \$                     | \$ 54,655.00            | \$ (4,345.00)                 |
| Other  | A-2b        | 47,000.00               |                        | 42,436.00               | (4,564.00)                    |
| Fees and Permits:                                      |             |                         |                        |                         |                               |
| Uniform Construction Code Fees                         | A-15        | 638,000.00              |                        | 630,000.00              | (8,000.00)                    |
| Other  | A-2b        | 515,000.00              |                        | 521,893.38              | 6,893.38                      |
| Fines and Costs - Municipal Court                      | A-15        | 1,216,000.00            |                        | 1,634,442.27            | 418,442.27                    |
| Interest and Costs on Taxes                            | A-6         | 891,000.00              |                        | 1,040,489.23            | 149,489.23                    |
| Parking Meters   | A-15        | 251,000.00              |                        | 297,606.74              | 46,606.74                     |
| Rent Leveling Fees                                     | A-15        | 45,000.00               |                        | 55,130.00               | 10,130.00                     |
| Interest on Investments                                | A-15        | 2,400.00                |                        | 48,732.83               | 46,332.83                     |
| Building Aid Allowance for School - State Aid          | A-15        |                         |                        |                         |                               |
| Payments in Lieu of Taxes:                             |             |                         |                        |                         |                               |
| Transport of New Jersey                                | A-15        | 107,019.00              |                        | 107,019.00              |                               |
| Our Lady of Mt. Carmel Senior Citizens                 | A-15        | 140,062.00              |                        | 144,529.74              | 4,467.74                      |
| Millennium Homes - RPM                                 | A-15        | 5,310.00                |                        |                         | (5,310.00)                    |
| South Essex Urban Renewal                              | A-15        | 79,833.00               |                        | 60,449.99               | (19,383.01)                   |
| Oakwood Towers   | A-15        | 296,155.00              |                        | 229,192.47              | (66,962.53)                   |
| Salem Towers - High Street Associates                  | A-15        | 156,346.00              |                        | 159,363.60              | 3,017.60                      |
| Orange Park Apartments Associates, Ltd.                | A-15        | 164,660.00              |                        | 146,919.85              | (17,740.15)                   |
| Tony Galento   | A-15        | 128,674.00              |                        | 247,369.68              | 118,695.68                    |
| The Berkeley   | A-15        | 25,974.00               |                        | 26,390.50               | 416.50                        |
| Lincoln Court  | A-15        | 40,349.00               |                        | 135,538.00              | 95,189.00                     |
| Project Live, Inc.                                     | A-15        | 11,438.00               |                        | 4,208.55                | (7,229.45)                    |
| New Community Corporation                              | A-15        | 36,652.00               |                        | 64,536.90               | 27,884.90                     |
| New Community Corporation - Prior                      |             | 12,217.00               |                        |                         | (12,217.00)                   |
| 307 Washington Street                                  | A-15        | 83,818.00               |                        | 34,415.92               | (49,402.08)                   |
| Central Village II                                     | A-15        | 55,112.00               |                        | 25,833.63               | (29,278.37)                   |
| Grand Central Senior Housing                           | A-15        | 38,496.00               |                        | 28,872.00               | (9,624.00)                    |
| Washington Dodd  |             | 100,000.00              |                        |                         | (100,000.00)                  |
| Walter G Phase I                                       | A-15        | 61,321.00               |                        | 42,392.90               | (18,928.10)                   |
| Walter G Phase II                                      | A-15        | 37,116.00               |                        | 31,333.43               | (5,782.57)                    |
| L&M Development Partners                               | A-15        | 61,739.00               |                        | 146,156.56              | 84,417.56                     |
| Franchise Fee from Cable TV Gross Revenue              | A-15        | 150,557.00              |                        | 238,666.53              | 88,109.53                     |
| Energy Receipts Tax                                    | A-15        | 6,235,788.00            |                        | 6,096,154.52            | (139,633.48)                  |
| Consolidated Municipal Property Tax Relief             | A-15        | 2,137,009.00            |                        | 2,095,452.50            | (41,556.50)                   |
| Reserve for Orange Reservoir                           | A-26        | 75,000.00               |                        | 75,000.00               |                               |
| ILS Belleville   |             | 42,000.00               |                        |                         | (42,000.00)                   |
| State and Federal Revenue Offsets with Appropriations: |             |                         |                        |                         |                               |
| Essex Cty Cultural and Historic Affairs - History      | A-21        | 1,057.66                |                        | 1,057.66                |                               |
| Essex Cty Cultural and Historic Affairs - Arts         | A-18        | 1,500.00                |                        | 1,500.00                |                               |
| Hazardous Discharge - 534 Mitchell                     | A-18        | 30,702.00               |                        | 30,702.00               |                               |
| Hazardous Discharge - 540 Mitchell                     | A-18        | 21,652.00               |                        | 21,652.00               |                               |
| Recycling Tonnage - Unappropriated                     | A-18        | 9,405.63                |                        | 9,405.63                |                               |
| Recycling Tonnage                                      | A-18        | 9,131.93                |                        | 9,131.93                |                               |
| State of NJ - ROID                                     | A-18        | 20,000.00               |                        | 20,000.00               |                               |
| Fire Sprinkler Advisory Council                        | A-18        | 1,000.00                |                        | 1,000.00                |                               |
| Green Acres Program                                    | A-18        |                         | 1,000,000.00           | 1,000,000.00            |                               |
| CDBG - Colgate Park Reconstruction                     | A-18        |                         | 150,000.00             | 150,000.00              |                               |
| CDBG - High & Alden Street Restroom Facility           | A-18        |                         | 120,000.00             | 120,000.00              |                               |
| CDBG - Main Street Counseling                          | A-18        |                         | 45,000.00              | 45,000.00               |                               |
| Essex County Municipal Alliance - 2018                 | A-18        | 27,760.00               |                        | 27,760.00               |                               |
| Essex County Visiting Nurse                            | A-18        | 19,262.00               |                        | 19,262.00               |                               |
| NJDOT Various Streets -2018                            | A-18        | 933,140.00              |                        | 933,140.00              |                               |
| State NJ Clean Communities                             | A-18        | 45,391.59               |                        | 45,391.59               |                               |
| Summer Food Program                                    | A-18        | 304,356.33              |                        | 304,356.33              |                               |
|  | A-2         | <u>\$ 15,371,404.14</u> | <u>\$ 1,315,000.00</u> | <u>\$ 17,204,540.86</u> | <u>\$ 518,136.72</u>          |

See accompanying notes to financial statements.

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

A-2b

STATEMENT OF REVENUE  
REGULATORY BASIS  
AS OF DECEMBER 31, 2018

|                                  | <u>Ref.</u> |                  |                      |
|----------------------------------|-------------|------------------|----------------------|
| <u>Other Licenses</u>            |             |                  |                      |
| City Clerk                       |             | \$ 1,275.00      |                      |
| Inspection and Licensing         |             | 30,565.00        |                      |
| Marriage Licenses, Milk Licences |             | 946.00           |                      |
| Health Department                |             | <u>9,650.00</u>  |                      |
|                                  | A-2a, A-15  |                  | <u>\$ 42,436.00</u>  |
| <u>Other Fees and Permits</u>    |             |                  |                      |
| City Clerk                       |             | \$ 2,056.70      |                      |
| Health Department                |             | 65,084.00        |                      |
| Electronic Death Transcripts     |             | 58,125.00        |                      |
| Tax Assessor                     |             | 946.51           |                      |
| Planning Board                   |             | 5,655.00         |                      |
| Police Department                |             | 10,364.00        |                      |
| Code Enforcement                 |             | 147,396.00       |                      |
| Planning and Development         |             | 700.00           |                      |
| Historic Preservation            |             | <u>15,496.17</u> |                      |
|                                  | A-2a, A-15  |                  | <u>\$ 521,893.38</u> |

See accompanying notes to financial statements.



CITY OF ORANGE TOWNSHIP  
CURRENT FUND

A-2c

STATEMENT OF REVENUE  
ANALYSIS OF REALIZED TAX REVENUE  
REGULATORY BASIS  
AS OF DECEMBER 31, 2018

|   | <u>Ref.</u> |                      |                         |
|---|-------------|----------------------|-------------------------|
| Receipts from Delinquent Taxes                    |             |                      |                         |
| Delinquent Tax Collections:                       |             |                      |                         |
| Prior Years                                       | A-10        | \$ 3,421,594.11      |                         |
| Tax Title Lien Collections                        | A-11        | 413,237.40           |                         |
|   | A-1, A-2    | <u>3,834,831.51</u>  | \$ 3,834,831.51         |
| Allocation of Current Tax Collections             |             |                      |                         |
| Revenue from Collections:                         |             |                      |                         |
| 2018 Collections and Overpayments Applied         | A-10        | 63,173,389.82        |                         |
| 2017 Collections                                  | A-10        | 835,770.23           |                         |
| Due from State of New Jersey                      | A-10        | 62,000.00            |                         |
|   | A-1         | <u>64,071,160.05</u> | 64,071,160.05           |
| Less: Allocated to:                               |             |                      |                         |
| Essex County                                      | A-10        | 7,901,631.51         |                         |
| Local School District                             | A-10        | <u>12,281,308.00</u> |                         |
|   |             |                      | <u>20,182,939.51</u>    |
|   |             |                      | 43,888,220.54           |
| Plus: Appropriation Reserve for Uncollected Taxes | A-3         |                      | <u>4,750,000.00</u>     |
| Amount of Municipal Support                       | A-2         |                      | <u>\$ 48,638,220.54</u> |

See accompanying notes to financial statements.

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

A-2d

STATEMENT OF REVENUE  
ANALYSIS OF NON-BUDGET REVENUE  
REGULATORY BASIS  
AS OF DECEMBER 31, 2018

Ref.

Miscellaneous Revenue Not Anticipated

|                              |                                    |
|------------------------------|------------------------------------|
| Insurance Reimbursements     | \$ 51,653.31                       |
| Tax Collector Misc.          | 25,356.20                          |
| Trust ODPO City Fees         | 200,000.00                         |
| PY Appropriation Refund      | 51,533.64                          |
| LEA Fees                     | 17,410.26                          |
| Administrative Fees for Cars | 32,500.00                          |
| FEMA - Sandy Reimbursement   | 17,963.78                          |
| Miscellaneous                | 40,548.00                          |
| New PILOTS                   | <u>119,902.42</u>                  |
|                              | A-1, A-2, A-6 <u>\$ 556,867.61</u> |

See accompanying notes to financial statements.

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2018

A-3  
Sheet # 1

|  | Budget               | Budget After<br>Modification | Expended             |                   |                  | Transferred/<br>Canceled | Over-<br>Expenditures |
|--|----------------------|------------------------------|----------------------|-------------------|------------------|--------------------------|-----------------------|
|  |                      |                              | Paid or<br>Charged   | Encumbered        | Reserved         |                          |                       |
| OPERATIONS - WITHIN "CAPS":                        |                      |                              |                      |                   |                  |                          |                       |
| DEPARTMENT OF ADMINISTRATION                       |                      |                              |                      |                   |                  |                          |                       |
| Mayor's Office                                     |                      |                              |                      |                   |                  |                          |                       |
| Salaries and Wages                                 | \$ 206,639.12        | \$ 228,339.12                | \$ 227,989.65        |                   | \$ 349.47        |                          |                       |
| Other Expenses                                     | 6,184.00             | 9,184.00                     | 8,635.73             | \$ 322.72         | 225.55           |                          |                       |
| Office of the Business Administrator               |                      |                              |                      |                   |                  |                          |                       |
| Salaries and Wages                                 | 218,936.08           | 227,836.08                   | 227,836.08           |                   | -                |                          |                       |
| Other Expenses                                     | 1,160.00             | 1,160.00                     | 54.14                | 64.56             | 1,041.30         |                          |                       |
| Office of Administrative Services                  |                      |                              |                      |                   |                  |                          |                       |
| Salaries and Wages                                 | 690,840.58           | 728,040.58                   | 728,074.56           |                   |                  |                          | \$ 33.98              |
| Other Expenses (includes \$160,000 emergency)      | 560,770.00           | 720,770.00                   | 492,000.69           | 192,961.19        | 35,808.12        |                          |                       |
| Grant Writer                                       |                      |                              |                      |                   |                  |                          |                       |
| Other Expenses                                     | 24,996.00            | 49,996.00                    | 24,996.00            | 25,000.00         | -                |                          |                       |
| Office of Public Defender                          |                      |                              |                      |                   |                  |                          |                       |
| Salaries and Wages                                 | 58,689.27            | 58,689.27                    | 50,193.78            |                   | 8,495.49         |                          |                       |
| Other Expenses                                     | 800.00               | 800.00                       |                      | 250.00            | 550.00           |                          |                       |
| Insurance:   |                      |                              |                      |                   |                  |                          |                       |
| General Liability (includes \$750,000 emergency)   | 459,941.00           | 1,309,941.00                 | 1,295,133.55         | 8,565.17          | 6,242.28         |                          |                       |
| Workers Compensation (includes \$90,000 emergency) | 691,700.00           | 841,700.00                   | 799,735.34           | 10,005.39         | 31,959.27        |                          |                       |
| Employee Group Health                              | 10,535,000.00        | 10,758,000.00                | 10,598,405.85        | 153,259.69        | 6,334.46         |                          |                       |
| Municipal Insurance Fund                           | 60,000.00            | 60,000.00                    | 60,000.00            |                   | -                |                          |                       |
| Waived Health Benefits                             | -                    | -                            |                      |                   | -                |                          |                       |
| Municipal Alcohol Beverage Control Board           |                      |                              |                      |                   |                  |                          |                       |
| Other Expenses                                     | 15,340.00            | 15,340.00                    | 4,737.00             | 1,713.75          | 8,889.25         |                          |                       |
|  | <u>13,530,996.05</u> | <u>15,009,796.05</u>         | <u>14,517,792.37</u> | <u>392,142.47</u> | <u>99,895.19</u> | <u>-</u>                 | <u>33.98</u>          |
| DEPARTMENT OF LAW                                  |                      |                              |                      |                   |                  |                          |                       |
| Office of the City Attorney                        |                      |                              |                      |                   |                  |                          |                       |
| Salaries and Wages                                 | 419,841.91           | 477,641.91                   | 476,199.99           |                   | 1,441.92         |                          |                       |
| Other Expenses                                     | 478,620.00           | 478,620.00                   | 250,064.45           | 220,339.50        | 8,216.05         |                          |                       |
|  | <u>898,461.91</u>    | <u>956,261.91</u>            | <u>726,264.44</u>    | <u>220,339.50</u> | <u>9,657.97</u>  | <u>-</u>                 | <u>-</u>              |
| CITY CLERK AND MUNICIPAL COUNCIL                   |                      |                              |                      |                   |                  |                          |                       |
| City Council                                       |                      |                              |                      |                   |                  |                          |                       |
| Salaries and Wages                                 | 203,538.46           | 210,338.46                   | 210,000.70           |                   | 337.76           |                          |                       |
| Other Expenses                                     | 110,050.00           | 110,050.00                   | 86,868.51            | 14,894.95         | 8,286.54         |                          |                       |
| City Clerk   |                      |                              |                      |                   |                  |                          |                       |
| Salaries and Wages                                 | 318,082.99           | 342,482.99                   | 342,241.90           |                   | 241.09           |                          |                       |
| Other Expenses                                     | 70,963.94            | 70,963.94                    | 29,860.20            | 4,469.04          | 36,634.70        |                          |                       |
| City Clerk Election                                |                      |                              |                      |                   |                  |                          |                       |
| Salaries and Wages                                 | 10,000.00            | 10,000.00                    | 1,389.66             |                   | 8,610.34         |                          |                       |
| Other Expenses                                     | 94,250.00            | 94,250.00                    | 57,639.97            | 12,297.75         | 24,312.28        |                          |                       |
|  | <u>806,885.39</u>    | <u>838,085.39</u>            | <u>728,000.94</u>    | <u>31,661.74</u>  | <u>78,422.71</u> | <u>-</u>                 | <u>-</u>              |

CITY OF ORANGE TOWNSHIP  
CURRENT FUND  
STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2018

A-3  
Sheet # 2

|   | Budget              | Budget After<br>Modification | Expended            |                  |                   | Canceled | Over-<br>Expenditures |
|---|---------------------|------------------------------|---------------------|------------------|-------------------|----------|-----------------------|
|   |                     |                              | Paid or<br>Charged  | Encumbered       | Reserved          |          |                       |
| OPERATIONS - WITHIN "CAPS" (Continued): |                     |                              |                     |                  |                   |          |                       |
| DEPARTMENT OF PLANNING AND DEVELOPMENT  |                     |                              |                     |                  |                   |          |                       |
| Inspection and Licensing                |                     |                              |                     |                  |                   |          |                       |
| Salaries and Wages                      | \$ 238,013.24       | \$ 238,013.24                | \$ 225,688.38       |                  | \$ 12,324.86      |          |                       |
| Other Expenses                          | 60,000.00           | 60,000.00                    | 16,778.00           | \$ 1,555.00      | 41,667.00         |          |                       |
| Planning Division                       |                     |                              |                     |                  |                   |          |                       |
| Salaries and Wages                      | 483,241.37          | 512,241.37                   | 508,840.76          |                  | 3,400.61          |          |                       |
| Other Expenses                          | 219,995.00          | 219,995.00                   | 141,516.16          | 77,529.46        | 949.38            |          |                       |
| Zoning Board                            |                     |                              |                     |                  |                   |          |                       |
| Salaries and Wages                      | 4,846.15            | 4,846.15                     | 4,646.62            |                  | 199.53            |          |                       |
| Other Expenses                          | 6,125.00            | 6,125.00                     | 1,001.86            | 2,007.00         | 3,116.14          |          |                       |
| Planning Board                          |                     |                              |                     |                  |                   |          |                       |
| Salaries and Wages                      | -                   | 4,200.00                     | 3,971.19            |                  | 228.81            |          |                       |
| Other Expenses                          | 16,425.00           | 12,225.00                    | 8,439.50            | 2,854.72         | 930.78            |          |                       |
| Historical Preservation Board           |                     |                              |                     |                  |                   |          |                       |
| Salaries and Wages                      | 4,846.15            | 4,846.15                     | 4,846.15            |                  | -                 |          |                       |
| Other Expenses                          | 5,700.00            | 5,700.00                     | 3,732.15            | 614.00           | 1,353.85          |          |                       |
| Rent Leveling Board                     |                     |                              |                     |                  |                   |          |                       |
| Other Expenses                          | 150.00              | 150.00                       |                     | 137.25           | 12.75             |          |                       |
|   | <u>1,039,341.91</u> | <u>1,068,341.91</u>          | <u>919,460.77</u>   | <u>84,697.43</u> | <u>64,183.71</u>  | <u>-</u> |                       |
| DEPARTMENT OF FINANCE                   |                     |                              |                     |                  |                   |          |                       |
| Department of Finance                   |                     |                              |                     |                  |                   |          |                       |
| Salaries and Wages                      | 454,487.20          | 480,587.20                   | 478,908.55          |                  | 1,678.65          |          |                       |
| Other Expenses                          | 191,440.00          | 175,440.00                   | 126,552.75          | 24,743.30        | 24,143.95         |          |                       |
| Audit/Acting Services                   | 125,000.00          | 188,000.00                   | 107,687.50          | 20,215.00        | 60,097.50         |          |                       |
| Office of Tax Collector                 |                     |                              |                     |                  |                   |          |                       |
| Salaries and Wages                      | 277,918.30          | 298,418.30                   | 298,086.40          |                  | 331.90            |          |                       |
| Other Expenses                          | 42,680.00           | 62,680.00                    | 55,438.37           | 6,762.87         | 478.76            |          |                       |
| Tax Assessor                            |                     |                              |                     |                  |                   |          |                       |
| Salaries and Wages                      | 221,821.72          | 221,821.72                   | 217,754.80          |                  | 4,066.92          |          |                       |
| Other Expenses                          | 53,030.00           | 53,030.00                    | 13,679.01           | 25,225.64        | 14,125.35         |          |                       |
|   | <u>1,366,377.22</u> | <u>1,479,977.22</u>          | <u>1,298,107.38</u> | <u>76,946.81</u> | <u>104,923.03</u> | <u>-</u> |                       |
| DEPARTMENT OF COMMUNITY SERVICES        |                     |                              |                     |                  |                   |          |                       |
| Administration Division                 |                     |                              |                     |                  |                   |          |                       |
| Salaries and Wages                      | 366,288.55          | 392,688.55                   | 392,378.53          |                  | 310.02            |          |                       |
| Other Expenses                          | 9,690.00            | 9,690.00                     | 5,950.76            | 3,284.00         | 455.24            |          |                       |
| Health Division                         |                     |                              |                     |                  |                   |          |                       |
| Salaries and Wages                      | 314,959.91          | 314,959.91                   | 272,524.20          |                  | 42,435.71         |          |                       |
| Other Expenses                          | 25,506.00           | 25,506.00                    | 11,248.90           | 5,840.42         | 8,416.68          |          |                       |
|   | <u>716,444.46</u>   | <u>742,844.46</u>            | <u>682,102.39</u>   | <u>9,124.42</u>  | <u>51,617.65</u>  | <u>-</u> |                       |

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2018

A-3  
Sheet # 3

|  | Budget               | Budget After<br>Modification | Expended             |                   |                   | Canceled | Over-<br>Expenditures |
|--|----------------------|------------------------------|----------------------|-------------------|-------------------|----------|-----------------------|
|  |                      |                              | Paid or<br>Charged   | Encumbered        | Reserved          |          |                       |
| OPERATIONS - WITHIN "CAPS" (Continued):      |                      |                              |                      |                   |                   |          |                       |
| DEPARTMENT OF COMMUNITY SERVICES (Continued) |                      |                              |                      |                   |                   |          |                       |
| Animal Control                               |                      |                              |                      |                   |                   |          |                       |
| Salaries and Wages                           | \$ 57,547.56         | \$ 59,347.56                 | \$ 58,966.72         |                   | \$ 380.84         |          |                       |
| Other Expenses                               | 75,075.00            | 75,075.00                    | 67,345.48            | \$ 6,372.62       | 1,356.90          |          |                       |
| After School                                 |                      |                              |                      |                   |                   |          |                       |
| Salaries and Wages                           | 10,700.00            | 10,700.00                    | (4,986.75)           |                   | 15,686.75         |          |                       |
| Other Expenses                               | 15,000.00            | 15,000.00                    | 13,500.00            |                   | 1,500.00          |          |                       |
| Older Adults Services                        |                      |                              |                      |                   |                   |          |                       |
| Other Expenses                               | 63,225.00            | 63,225.00                    | 44,668.63            | 8,782.00          | 9,774.37          |          |                       |
| Cultural Affairs                             |                      |                              |                      |                   |                   |          |                       |
| Salaries and Wages                           | 64,154.96            | 64,154.96                    | 63,440.08            |                   | 714.88            |          |                       |
| Other Expenses                               | 30,600.00            | 30,600.00                    | 20,839.70            | 9,760.30          | -                 |          |                       |
| Recreation                                   |                      |                              |                      |                   |                   |          |                       |
| Salaries and Wages                           | 597,028.76           | 597,028.76                   | 571,997.02           |                   | 25,031.74         |          |                       |
| Other Expenses                               | 46,600.00            | 79,600.00                    | 73,164.15            | 6,169.13          | 266.72            |          |                       |
| Municipal Appropriation for Library Purposes | 325,000.00           | 75,000.00                    |                      |                   | 75,000.00         |          |                       |
|  | <u>1,284,931.28</u>  | <u>1,069,731.28</u>          | <u>908,935.03</u>    | <u>31,084.05</u>  | <u>129,712.20</u> | <u>-</u> |                       |
| DEPARTMENT OF POLICE                         |                      |                              |                      |                   |                   |          |                       |
| Administration Division                      |                      |                              |                      |                   |                   |          |                       |
| Salaries and Wages                           | 12,054,260.29        | 12,134,260.29                | 12,181,317.42        |                   |                   |          | \$ 47,057.13          |
| Other Expenses                               | 414,725.00           | 314,725.00                   | 107,777.40           | 129,443.06        | 77,504.54         |          |                       |
| School Guards                                |                      |                              |                      |                   |                   |          |                       |
| Salaries and Wages                           | 498,628.58           | 418,628.58                   | 377,877.48           |                   | 40,751.10         |          |                       |
|  | <u>12,967,613.87</u> | <u>12,867,613.87</u>         | <u>12,666,972.30</u> | <u>129,443.06</u> | <u>118,255.64</u> |          | <u>47,057.13</u>      |
| DEPARTMENT OF FIRE                           |                      |                              |                      |                   |                   |          |                       |
| Administration Division                      |                      |                              |                      |                   |                   |          |                       |
| Salaries and Wages                           | 6,335,120.51         | 6,335,120.51                 | 6,106,221.94         |                   | 228,898.57        |          |                       |
| Other Expenses                               | 822,870.00           | 717,870.00                   | 419,976.37           | 197,835.66        | 100,057.97        |          |                       |
|  | <u>7,157,990.51</u>  | <u>7,052,990.51</u>          | <u>6,526,198.31</u>  | <u>197,835.66</u> | <u>328,956.54</u> | <u>-</u> |                       |

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2018

A-3  
Sheet # 4

|  | Budget              | Budget After<br>Modification | Expended            |                   | Canceled          | Over-<br>Expenditures |
|--|---------------------|------------------------------|---------------------|-------------------|-------------------|-----------------------|
|  |                     |                              | Paid or<br>Charged  | Encumbered        |                   |                       |
| OPERATIONS - WITHIN "CAPS" (Continued):      |                     |                              |                     |                   |                   |                       |
| DEPARTMENT OF PUBLIC WORKS                   |                     |                              |                     |                   |                   |                       |
| Street Maintenance                           |                     |                              |                     |                   |                   |                       |
| Salaries and Wages                           | \$ 1,274,121.45     | \$ 1,387,221.45              | \$ 1,384,068.03     |                   | \$ 3,153.42       |                       |
| Other Expenses                               | 291,520.00          | 291,520.00                   | 165,217.87          | \$ 110,306.60     | 15,995.53         |                       |
| Maintenance of Parks                         |                     |                              |                     |                   |                   |                       |
| Salaries and Wages                           | 115,547.96          | 115,547.96                   | 101,981.84          |                   | 13,566.12         |                       |
| Other Expenses                               | 131,600.00          | 131,600.00                   | 85,837.49           | 8,317.92          | 37,444.59         |                       |
| Director's Office                            |                     |                              |                     |                   |                   |                       |
| Salaries and Wages                           | 347,147.84          | 370,747.84                   | 363,690.30          |                   | 7,057.54          |                       |
| Other Expenses                               | 102,450.00          | 102,450.00                   | 76,648.33           | 25,801.67         | -                 |                       |
| Equipment and Vehicle Management             |                     |                              |                     |                   |                   |                       |
| Other Expenses                               | 946,095.00          | 946,095.00                   | 627,623.01          | 298,922.17        | 19,549.82         |                       |
| Building and Grounds                         |                     |                              |                     |                   |                   |                       |
| Salaries and Wages                           | 172,149.18          | 172,149.18                   | 160,811.81          |                   | 11,337.37         |                       |
| Other Expenses                               | 446,349.00          | 346,349.00                   | 190,466.80          | 69,231.42         | 86,650.78         |                       |
| Snow Removal                                 |                     |                              |                     |                   |                   |                       |
| Salaries and Wages                           | 50,000.00           | 50,000.00                    | 37,474.46           |                   | 12,525.54         |                       |
| Other Expenses                               | 110,000.00          | 110,000.00                   | 58,898.52           | 25,642.44         | 25,459.04         |                       |
|  | <u>3,986,980.43</u> | <u>4,023,680.43</u>          | <u>3,252,718.46</u> | <u>538,222.22</u> | <u>232,739.75</u> | <u>-</u>              |
| MUNICIPAL COURT                              |                     |                              |                     |                   |                   |                       |
| Salaries and Wages                           | 907,844.08          | 931,344.08                   | 931,926.92          |                   |                   | \$ 582.84             |
| Other Expenses                               | 109,328.00          | 113,328.00                   | 87,300.85           | 22,019.41         | 4,007.74          |                       |
|  | <u>1,017,172.08</u> | <u>1,044,672.08</u>          | <u>1,019,227.77</u> | <u>22,019.41</u>  | <u>4,007.74</u>   | <u>-</u>              |
| UNIFORM CONSTRUCTION CODE - APPROPRIATIONS   |                     |                              |                     |                   |                   |                       |
| OF Planning and Economic Development/Uniform |                     |                              |                     |                   |                   |                       |
| Construction Code:                           |                     |                              |                     |                   |                   |                       |
| Inspections and Licensing                    |                     |                              |                     |                   |                   |                       |
| Salaries and Wages                           | 230,877.18          | 239,477.18                   | 238,677.85          |                   | 799.33            |                       |
|  | <u>230,877.18</u>   | <u>239,477.18</u>            | <u>238,677.85</u>   |                   | <u>799.33</u>     |                       |

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2018

A-3  
Sheet # 5

|  | Budget        | Budget After<br>Modification | Expended           |              |              | Canceled  | Over-<br>Expenditures |
|--|---------------|------------------------------|--------------------|--------------|--------------|-----------|-----------------------|
|  |               |                              | Paid or<br>Charged | Encumbered   | Reserved     |           |                       |
| OPERATIONS - WITHIN "CAPS" (Continued):  |               |                              |                    |              |              |           |                       |
| UNCLASSIFIED                             |               |                              |                    |              |              |           |                       |
| Utilities                                |               |                              |                    |              |              |           |                       |
| Telephone                                | \$ 310,000.00 | \$ 330,000.00                | \$ 280,337.54      | \$ 60,856.17 |              |           | \$ 11,193.71          |
| Street Lighting                          | 550,000.00    | 550,000.00                   | 104,882.31         | 445,117.69   |              |           |                       |
| Gas and Electric                         | 450,000.00    | 450,000.00                   | 123,811.91         | 241,217.69   | \$ 84,970.40 |           |                       |
| Refuse Removal                           | 2,429,400.00  | 2,549,400.00                 | 2,149,702.68       | 329,657.87   | 70,039.45    |           |                       |
| Salary Adjustment Account                | 429,552.51    | 152.51                       |                    |              | 152.51       |           |                       |
| Contingent                               | 10,000.00     | 10,000.00                    |                    |              | 10,000.00    |           |                       |
| TOTAL UNCLASSIFIED                       | 4,178,952.51  | 3,889,552.51                 | 2,658,734.44       | 1,076,849.42 | 165,162.36   |           | 11,193.71             |
| TOTAL OPERATIONS WITHIN "CAP"            | 49,183,024.80 | 50,283,024.80                | 46,143,192.45      | 2,810,366.19 | 1,388,333.82 | -         | 58,867.66             |
| Detail                                   |               |                              |                    |              |              |           |                       |
| Salaries and Wages                       | 27,637,671.86 | 27,641,871.86                | 27,245,037.02      | -            | 444,356.28   | -         | 47,673.95             |
| Other Expenses                           | 21,545,352.94 | 22,641,152.94                | 18,898,155.43      | 2,810,366.19 | 943,977.54   |           | 11,193.71             |
|  | 49,183,024.80 | 50,283,024.80                | 46,143,192.45      | 2,810,366.19 | 1,388,333.82 | -         | 58,867.66             |
| DEFERRED CHARGES                         |               |                              |                    |              |              |           |                       |
| Deferred Charges - Police S&W            | 176,935.00    | 176,935.00                   | 176,935.00         |              | -            |           |                       |
| Overexpenditure of Budget Appropriations | 9,793.90      | 9,793.90                     | 9,793.89           |              | 0.01         |           |                       |
| Overexpenditure of Grant Reserve         | 87,405.00     | 87,405.00                    | 87,405.00          |              |              |           |                       |
| Prior Years Bills                        | 49,173.90     | 49,173.90                    | 49,048.90          |              |              | \$ 125.00 |                       |
|  | 323,307.80    | 323,307.80                   | 323,182.79         |              | 0.01         | 125.00    | -                     |
| STATUTORY EXPENDITURES                   |               |                              |                    |              |              |           |                       |
| Public Employee Retirement System        | 840,148.00    | 840,148.00                   | 840,148.00         |              | -            |           |                       |
| Social Security System ( O.A.S.I.)       | 1,240,000.00  | 1,240,000.00                 | 1,097,962.44       |              | 142,037.56   |           |                       |
| Consolidated Police and Fire             | 25,000.00     | 25,000.00                    | 8,891.52           |              | 16,108.48    |           |                       |
| Police and Fire Retirement System        | 4,090,687.00  | 4,090,687.00                 | 4,090,687.00       |              | -            |           |                       |
| DCRP                                     | 18,000.00     | 18,000.00                    | 17,212.65          |              | 787.35       |           |                       |
| Unemployment Insurance                   | 50,000.00     | 50,000.00                    | 50,000.00          |              | -            |           |                       |
| Judgments                                | 100,000.00    | -                            |                    |              | -            |           |                       |
| TOTAL GENERAL APPROPRIATIONS FOR         | 6,363,835.00  | 6,263,835.00                 | 6,104,901.61       |              | 158,933.39   | -         |                       |
| MUNICIPAL PURPOSES WITHIN "CAPS"         | 55,870,167.60 | 56,870,167.60                | 52,571,276.85      | 2,810,366.19 | 1,547,267.22 | 125.00    | 58,867.66             |

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2018

A-3  
Sheet # 6

|   | Budget              | Budget After Modification | Expended            |                  |          | Canceled | Over-Expenditures |
|---|---------------------|---------------------------|---------------------|------------------|----------|----------|-------------------|
|   |                     |                           | Paid or Charged     | Encumbered       | Reserved |          |                   |
| <b>OPERATIONS - EXCLUDED FROM "CAPS"</b>  |                     |                           |                     |                  |          |          |                   |
| Orange Public Library   | \$ 746,000.00       | \$ 746,000.00             | \$ 705,207.19       | \$ 40,792.81     | -        |          |                   |
| Library Portion of Health Benefits  | 175,000.00          | 175,000.00                | 175,000.00          |                  | -        |          |                   |
| Police CAP Waiver   | 1,825,000.00        | 1,825,000.00              | 1,825,000.00        |                  | -        |          |                   |
| Fire CAP Waiver   | 1,275,000.00        | 1,275,000.00              | 1,275,000.00        |                  | -        |          |                   |
| Salary Adjustment Account-CAP Waiver  | 800,000.00          | 800,000.00                | 800,000.00          |                  | -        |          |                   |
| Police and Firemen's Retirement System of NJ-CAP Waiver                               | 750,000.00          | 750,000.00                | 750,000.00          |                  | -        |          |                   |
| Interlocal Service Agreement - Belleville   | 42,000.00           | 42,000.00                 | 42,000.00           |                  | -        |          |                   |
|   | <u>5,613,000.00</u> | <u>5,613,000.00</u>       | <u>5,572,207.19</u> | <u>40,792.81</u> | <u>-</u> | <u>-</u> | <u>-</u>          |
| <b>STATE AND FEDERAL PROGRAMS OFFSET BY REVENUES</b>                                  |                     |                           |                     |                  |          |          |                   |
| CDBG High & Alden Street Park Restroom Facility - 159                                 |                     | 120,000.00                | 120,000.00          |                  | -        |          |                   |
| CDBG Expansion of Colgate Skate Park - 159  |                     | 150,000.00                | 150,000.00          |                  | -        |          |                   |
| CDBG Main Street Counseling Center - 159  |                     | 45,000.00                 | 45,000.00           |                  | -        |          |                   |
| Green Acres Multi Park Project #0717-14-156 - 159                                     |                     | 1,000,000.00              | 1,000,000.00        |                  | -        |          |                   |
| Essex County Division of Cultural and Historic Affairs 2018 Local History Grant       | 1,057.66            | 1,057.66                  | 1,057.66            |                  | -        |          |                   |
| Essex County Division of Cultural and Historic Affairs 2018 Local History Grant Match | 1,057.66            | 1,057.66                  | 1,057.66            |                  | -        |          |                   |
| Essex County Division of Cultural and Historic Affairs 2018 Local Art Grant           | 1,500.00            | 1,500.00                  | 1,500.00            |                  | -        |          |                   |
| Essex County Division of Cultural and Historic Affairs 2018 Local Art Grant Match     | 750.00              | 750.00                    | 750.00              |                  | -        |          |                   |
| Essex County Municipal Alliance - 2018 - Match  | 6,940.00            | 6,940.00                  | 6,940.00            |                  | -        |          |                   |
| Essex County Municipal Alliance   | 27,760.00           | 27,760.00                 | 27,760.00           |                  | -        |          |                   |
| Essex County Municipal Alliance 159 Local share                                       | 10,625.00           | 10,625.00                 | 10,625.00           |                  | -        |          |                   |
| Essex County Visiting Nurse   | 19,262.00           | 19,262.00                 | 19,262.00           |                  | -        |          |                   |
| NJDOT Various Streets -2018   | 933,140.00          | 933,140.00                | 933,140.00          |                  | -        |          |                   |
| State NJ Clean Communities  | 45,391.59           | 45,391.59                 | 45,391.59           |                  | -        |          |                   |
| Hazard Mitigation - 534 Mitchell Avenue   | 30,702.00           | 30,702.00                 | 30,702.00           |                  | -        |          |                   |
| Hazard Mitigation - 540 Mitchell Avenue   | 21,652.00           | 21,652.00                 | 21,652.00           |                  | -        |          |                   |
| State NJ Recycling Tonnage(from UR)   | 9,405.63            | 9,405.63                  | 9,405.63            |                  | -        |          |                   |
| State NJ Recycling Tonnage received 2018  | 9,131.93            | 9,131.93                  | 9,131.93            |                  | -        |          |                   |
| State NJ Recreation-ROID  | 20,000.00           | 20,000.00                 | 20,000.00           |                  | -        |          |                   |
| ROID- City Match  | 4,000.00            | 4,000.00                  | 4,000.00            |                  | -        |          |                   |
| Fire Sprinkler Advisory Council   | 1,000.00            | 1,000.00                  | 1,000.00            |                  | -        |          |                   |
| Summer Food Program   | 304,356.33          | 304,356.33                | 304,356.33          |                  | -        |          |                   |
|   | <u>1,447,731.80</u> | <u>2,762,731.80</u>       | <u>2,762,731.80</u> |                  | <u>-</u> |          |                   |
| <br>  |                     |                           |                     |                  |          |          |                   |
| Total Operations  | <u>7,060,731.80</u> | <u>8,375,731.80</u>       | <u>8,334,938.99</u> |                  | <u>-</u> |          |                   |



CITY OF ORANGE TOWNSHIP  
CURRENT FUND

STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2018

A-3  
Sheet # 7

|   | Budget                  | Budget After<br>Modification | Expended                |                        |                        | Canceled           | Over-<br>Expenditures |
|---|-------------------------|------------------------------|-------------------------|------------------------|------------------------|--------------------|-----------------------|
|   |                         |                              | Paid or<br>Charged      | Encumbered             | Reserved               |                    |                       |
| DEFERRED CHARGES  |                         |                              |                         |                        |                        |                    |                       |
| Emergency Authorization                                 | \$ 1,643,065.00         | \$ 1,643,065.00              | \$ 1,643,065.00         | \$ -                   | \$ -                   | \$ -               | \$ -                  |
| Special Emergency Authorization - 5 years               | 200,000.00              | 200,000.00                   | 200,000.00              |                        | -                      |                    |                       |
| Special Emergency Authorization - 5 years - Revaluation | 103,820.00              | 103,820.00                   | 103,820.00              |                        | -                      |                    |                       |
|   | <u>1,946,885.00</u>     | <u>1,946,885.00</u>          | <u>1,946,885.00</u>     |                        | <u>-</u>               |                    |                       |
| DEBT SERVICE  |                         |                              |                         |                        |                        |                    |                       |
| Payment of Bond Principal                               | 1,303,000.00            | 1,303,000.00                 | 1,303,000.00            |                        | -                      |                    |                       |
| Interest on Bonds                                       | 312,412.81              | 312,412.81                   | 312,412.82              |                        |                        |                    | 0.01                  |
| Interest on Notes                                       | 51,850.00               | 51,850.00                    | 51,326.60               |                        | -                      | 523.40             |                       |
| Interest on TAN's                                       |                         |                              | 27,500.00               |                        |                        |                    | 27,500.00             |
| Loan Payment for Principal and Interest                 | 60,028.88               | 60,028.88                    | 60,028.87               |                        | -                      | 0.01               |                       |
| New Jersey Environmental Infrastructure Loan            | 98,103.87               | 98,103.87                    | 95,422.75               |                        |                        | 2,681.12           |                       |
| Demolition Loan- Department of Community Affairs        | 33,800.00               | 33,800.00                    | 33,800.00               |                        | -                      |                    |                       |
|   | <u>1,859,195.56</u>     | <u>1,859,195.56</u>          | <u>1,883,491.04</u>     |                        | <u>-</u>               | <u>3,204.53</u>    | <u>27,500.01</u>      |
|   | <u>-</u>                | <u>-</u>                     | <u>-</u>                |                        |                        | <u>-</u>           |                       |
| Total General Appropriations excluded from "CAPS"       | <u>10,866,812.36</u>    | <u>12,181,812.36</u>         | <u>12,165,315.03</u>    | <u>40,792.81</u>       | <u>-</u>               | <u>3,204.53</u>    | <u>27,500.01</u>      |
| Sub Total   | 66,736,979.96           | 69,051,979.96                | 64,736,591.88           | 2,851,159.00           | 1,547,267.22           | 3,329.53           | 86,367.67             |
| Reserve for Uncollectible Taxes                         | <u>4,750,000.00</u>     | <u>4,750,000.00</u>          | <u>4,750,000.00</u>     |                        | <u>-</u>               |                    |                       |
| Total Appropriations                                    | <u>\$ 71,486,979.96</u> | <u>\$ 73,801,979.96</u>      | <u>\$ 69,486,591.88</u> | <u>\$ 2,851,159.00</u> | <u>\$ 1,547,267.22</u> | <u>\$ 3,329.53</u> | <u>\$ 86,367.67</u>   |
|   | A-2                     |                              | A-3a                    | A                      | A                      | A-3a               | A-3a                  |

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

A-3a

STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2018

|                                      | <u>Ref.</u> | <u>Modified<br/>Budget</u> | <u>Paid or<br/>Charged</u> |
|--------------------------------------|-------------|----------------------------|----------------------------|
| Adopted Budget                       | A-2         | \$ 71,486,979.96           | \$                         |
| Emergency Authorization              | A-19        | 1,000,000.00               |                            |
| Chapter 159 - Grants                 | A-2a        | 1,315,000.00               |                            |
| Cash Disbursed                       | A-4         |                            | 58,290,246.19              |
| Deferred Charges - Overexpenditures  | A-19        |                            | 1,829,793.89               |
| Deferred Charges - Special Emergency | A-20        |                            | 303,820.00                 |
| Reserve for Grant Expenditures       | A-18, A-37  |                            | 2,762,731.80               |
| Transferred to Salary/PERS Reserve   | A-30        |                            | 1,550,000.00               |
| Overexpenditures                     | A-19        | 86,367.67                  |                            |
| Reserve for Uncollected Taxes        | A-3         | (4,750,000.00)             | 4,750,000.00               |
| Cancelled                            | A-3         | (3,329.53)                 |                            |
|                                      | A-1, A-3    | <u>\$ 69,135,018.10</u>    | <u>\$ 69,486,591.88</u>    |

See accompanying notes to financial statements.

CITY OF ORANGE TOWNSHIP  
TRUST FUND

COMPARATIVE BALANCE SHEETS  
REGULATORY BASIS  
DECEMBER 31, 2018 AND 2017

B

|  | <u>Ref.</u> | <u>2018</u>            | <u>2017</u>            |
|--|-------------|------------------------|------------------------|
| <u>ASSETS</u>  |             |                        |                        |
| ANIMAL CONTROL FUND:   |             |                        |                        |
| Cash   | B-1         | \$ 18,083.58           | \$ 16,541.98           |
| GENERAL TRUST FUND:  |             |                        |                        |
| Cash   | B-1         | \$ 4,545,522.14        | \$ 5,054,467.38        |
| Other Accounts Receivable                                    | B-5         | 4,434.37               | 4,434.37               |
| Interfunds Receivable  | B-6         | 406,884.88             | 627,716.91             |
|  |             | <u>\$ 4,956,841.39</u> | <u>\$ 5,686,618.66</u> |
| MUNICIPAL INSURANCE TRUST FUND                               |             |                        |                        |
| Cash   | B-1         | \$ 214,578.79          | \$ 154,680.17          |
|  |             | <u>\$ 214,578.79</u>   | <u>\$ 154,680.17</u>   |
| GRANT TRUST FUND   |             |                        |                        |
| Cash   | B-1         | \$ 154,938.20          | \$ 88,703.90           |
| Interfunds Receivable  | B-12        |                        | 87,428.70              |
| Essex County Community Development Block Grants Receivable   | B-4         | 1,235,917.97           | 920,917.97             |
|  |             | <u>\$ 1,390,856.17</u> | <u>\$ 1,097,050.57</u> |
| TOTAL ASSETS   |             | <u>\$ 6,580,359.93</u> | <u>\$ 6,954,891.38</u> |
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u>                |             |                        |                        |
| ANIMAL CONTROL FUND:   |             |                        |                        |
| Reserve for Expenditures                                     | B-14        | \$ 18,067.98           | \$ 15,951.78           |
| Due to State of New Jersey                                   | B-7         | 15.60                  | 590.20                 |
|  |             | <u>\$ 18,083.58</u>    | <u>\$ 16,541.98</u>    |
| GENERAL TRUST FUND:  |             |                        |                        |
| Reserve for:   |             |                        |                        |
| Interfund Payables   | B-6         | \$ 40,370.43           | \$                     |
| Other Expenditures   | B-8         | 988,194.19             | 1,037,922.94           |
| Other Deposits   | B-9         | 757,516.32             | 2,510,873.10           |
| New Jersey Unemployment Insurance                            | B-10        | 31,796.51              | 96,698.74              |
| Salary Account   | B-18        | 1,078,406.19           | 683,753.24             |
| Premium on Tax Sale  | B-11        | 1,203,112.46           | 1,352,112.46           |
| Encumbrances Payable   | B-19        | 857,445.29             | 5,258.18               |
|  |             | <u>\$ 4,956,841.39</u> | <u>\$ 5,686,618.66</u> |
| MUNICIPAL INSURANCE TRUST FUND                               |             |                        |                        |
| Interfund Payable  | B-12        | \$ 26.87               | \$ 3.25                |
| Reserve for Municipal Insurance Trust Fund Expenditures      | B-15        | 214,551.92             | 154,676.92             |
|  |             | <u>\$ 214,578.79</u>   | <u>\$ 154,680.17</u>   |
| GRANT TRUST FUND   |             |                        |                        |
| Encumbrances   | B-16        | \$ 8,831.18            | \$ 8,831.18            |
| Due to Trust Other   | B-12        | 300,000.00             |                        |
| Due to Current Fund  | B-12        | 18.60                  |                        |
| Reserve for:   |             |                        |                        |
| Rehabilitation Grant Refunds                                 | B-13        | 1,659.05               | 1,659.05               |
| Essex County Community Development Block Grants Appropriated | B-16        | 969,673.45             | 975,886.45             |
| Other Grant Fund Expenditures                                | B-17        | 110,673.89             | 110,673.89             |
|  |             | <u>\$ 1,390,856.17</u> | <u>\$ 1,097,050.57</u> |
| TOTAL LIABILITIES AND RESERVES                               |             | <u>\$ 6,580,359.93</u> | <u>\$ 6,954,891.38</u> |

See accompanying notes to financial statements.

CITY OF ORANGE TOWNSHIP  
GENERAL CAPITAL FUND

C

COMPARATIVE BALANCE SHEETS  
REGULATORY BASIS  
DECEMBER 31, 2018 AND 2017

| ASSETS                                    | Ref. | <u>2018</u>             | <u>2017</u>             |
|---|------|-------------------------|-------------------------|
| Cash                                      | C-2  | \$ 2,508,825.69         | \$ 3,549,948.57         |
| Grants Receivable                         | C-4  | 669,581.24              | 669,581.24              |
| Loans Receivable                          | C-5  | 10,031,275.89           | 94,585.89               |
| Interfund Receivable                      | C-14 |                         | 200,073.35              |
| Deferred Charges to Future Taxation:      |      |                         |                         |
| Funded                                    | C-6  | 9,837,842.33            | 11,323,982.40           |
| Unfunded                                  | C-7  | 4,307,000.00            | 5,763,246.00            |
|   |      | <u>\$ 27,354,525.15</u> | <u>\$ 21,601,417.45</u> |
| <br>                                      |      |                         |                         |
| LIABILITIES AND FUND BALANCE              |      |                         |                         |
| <br>                                      |      |                         |                         |
| General Refunding Bonds                   | C-17 | \$ 8,845,000.00         | \$ 10,148,000.00        |
| School Promissary Notes                   | C-20 |                         | 3,744,000.00            |
| Green Acres Trust Loan Payable:           |      |                         |                         |
| General                                   | C-16 | 702,213.09              | 762,241.96              |
| N.J. Environmental Infrastructure Trust   |      |                         |                         |
| Loan Payable                              | C-15 | 95,629.24               | 186,240.44              |
| Demolition Loan Payable                   | C-19 | 195,000.00              | 227,500.00              |
| Interfunds Payable                        | C-14 | 1,753,499.26            |                         |
| Improvement Authorizations:               |      |                         |                         |
| Funded                                    | C-8  | 1,398,908.94            | 1,959,824.55            |
| Unfunded                                  | C-8  | 13,533,597.24           | 2,773,843.24            |
| Encumbrances Payable                      | C-12 | 43,671.77               | 485,936.65              |
| Capital Improvement Fund                  | C-9  | 608,779.61              | 751,779.61              |
| Reserves for:                             |      |                         |                         |
| Debt Service                              | C-10 | 4,225.00                | 4,225.00                |
| Grants Receivable                         | C-11 | 17,750.00               | 17,750.00               |
| Loan Proceeds                             | C-13 | 61,176.74               | 61,176.74               |
| Fund Balance                              | C-1  | 95,074.26               | 478,899.26              |
|   |      | <u>\$ 27,354,525.15</u> | <u>\$ 21,601,417.45</u> |
| <br>                                      |      |                         |                         |
| Bonds and Notes Authorized But Not Issued | C-18 | <u>\$ 14,307,000.00</u> | <u>\$ 2,019,246.00</u>  |

See accompanying notes to financial statements.

CITY OF ORANGE TOWNSHIP  
GENERAL CAPITAL FUND

C-1

STATEMENT OF FUND BALANCE  
REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2018

|                                      | <u>Ref.</u> |                     |
|--------------------------------------|-------------|---------------------|
| Beginning Balance, December 31, 2017 | C           | \$ 478,899.26       |
| Increased by:                        |             |                     |
| Premium on Sale of Bonds and Notes   | C-2         | 16,175.00           |
|                                      |             | <u>495,074.26</u>   |
| Decreased by:                        |             |                     |
| Funding of Ordinance                 | C-8         | 400,000.00          |
|                                      |             | <u>400,000.00</u>   |
| Ending Balance, December 31, 2018    | C           | <u>\$ 95,074.26</u> |

See accompanying notes to financial statements.

CITY OF ORANGE TOWNSHIP  
WATER AND SEWER UTILITY

COMPARATIVE BALANCE SHEETS  
REGULATORY BASIS  
DECEMBER 31, 2018 AND 2017

D  
Sheet # 1

| <u>Assets</u>                            | <u>Ref.</u> | <u>2018</u>             | <u>2017</u>             |
|--|-------------|-------------------------|-------------------------|
| Operating Fund:                          |             |                         |                         |
| Cash - Checking                          | D-5         | \$ 2,573,146.97         | \$ 3,183,976.45         |
| Petty Cash                               | D-8         | 150.00                  | 150.00                  |
|  |             | <u>2,573,296.97</u>     | <u>3,184,126.45</u>     |
| Receivables with Full Reserves:          |             |                         |                         |
| Consumer Accounts Receivable             | D-11        | 2,161,115.31            | 1,984,257.75            |
| Water Liens                              | D-12        | 84,281.33               | 82,455.91               |
|  |             | <u>2,245,396.64</u>     | <u>2,066,713.66</u>     |
| Interfund Receivable                     |             |                         |                         |
|  | D-10        | 836,204.11              | 602,770.50              |
|  |             | <u>836,204.11</u>       | <u>602,770.50</u>       |
| Deferred Charges:                        |             |                         |                         |
| Emergency Appropriation                  | D-27        | 1,102,754.86            | 1,929,297.08            |
|  |             | <u>1,102,754.86</u>     | <u>1,929,297.08</u>     |
| Total Operating Fund                     |             | <u>6,757,652.58</u>     | <u>7,782,907.69</u>     |
| Capital Fund:                            |             |                         |                         |
| Cash - Checking                          | D-5,D-9     | 770,356.47              | 862,380.71              |
| Loans Receivable                         | D-13        | 129,947.81              | 129,947.81              |
| Interfund Receivable                     | D-32        | 919,712.86              |                         |
| Fixed Capital                            | D-14        | 44,749,593.68           | 44,749,593.68           |
| Fixed Capital Authorized and Uncompleted | D-15        | 3,288,958.86            | 2,350,000.00            |
| Total Capital Fund                       |             | <u>49,858,569.68</u>    | <u>48,091,922.20</u>    |
| Total Assets                             |             | <u>\$ 56,616,222.26</u> | <u>\$ 55,874,829.89</u> |

See accompanying notes to financial statements.

CITY OF ORANGE TOWNSHIP  
WATER AND SEWER UTILITY

COMPARATIVE BALANCE SHEETS  
REGULATORY BASIS  
DECEMBER 31, 2018 AND 2017

D  
Sheet # 2

| <u>Liabilities, Reserves and Fund Balance</u> | <u>Ref.</u> | <u>2018</u>             | <u>2017</u>             |
|---|-------------|-------------------------|-------------------------|
| Operating Fund:                               |             |                         |                         |
| Appropriation Reserves:                       |             |                         |                         |
| Encumbered                                    | D-4,D-16    | \$ 682,695.17           | \$ 1,254,420.09         |
| Unencumbered                                  | D-4,D-16    | 871,225.91              | 650,988.78              |
| Accounts Payable                              | D-21        | 166,084.30              | 241,869.40              |
| Accrued Interest on Bonds                     | D-18        | 136,622.70              | 127,831.33              |
| Reserve for Future Improvements               | D-26        | 13,349.46               | 13,349.46               |
| Water and Sewer Overpayments                  | D-19        | 157,276.02              | 162,041.36              |
| Special Emergency Notes                       | D-28        | 1,290,000.00            | 2,220,000.00            |
|   |             | <hr/>                   | <hr/>                   |
|   |             | 3,317,253.56            | 4,670,500.42            |
| Reserve for Receivables                       |             | 2,245,396.64            | 2,066,713.66            |
| Fund Balance                                  | D-1         | 1,195,002.38            | 1,045,693.61            |
|   |             | <hr/>                   | <hr/>                   |
|   |             | 6,757,652.58            | 7,782,907.69            |
|   |             |                         |                         |
| Capital Fund:                                 |             |                         |                         |
| Serial Bonds Payable                          | D-25        | 16,660,000.00           | 17,970,000.00           |
| Bond Anticipation Notes                       | D-31        | 2,300,000.00            |                         |
| N.J. Environmental Trust Fund                 | D-24        | 4,142,830.78            | 4,521,592.01            |
| Improvement Authorizations:                   |             |                         |                         |
| Funded  | D-20        | 394,843.44              | 436,217.87              |
| Unfunded                                      | D-20        | 825,568.42              | 44,022.42               |
| Encumbrances                                  | D-30        | 70,907.16               | 1,464,144.11            |
| Reserve for Amortization                      | D-22        | 17,003,910.42           | 15,195,436.33           |
| Deferred Reserve for Amortization             | D-23        | 7,912,284.34            | 7,912,284.34            |
| Fund Balance                                  | D-2         | 548,225.12              | 548,225.12              |
|   |             | <hr/>                   | <hr/>                   |
|   |             | 49,858,569.68           | 48,091,922.20           |
|   |             |                         |                         |
| Total Liabilities, Reserves and Fund Balances |             | <u>\$ 56,616,222.26</u> | <u>\$ 55,874,829.89</u> |
|   |             |                         |                         |
| Bonds and Notes Authorized but Not Issued     | D-29        | <u>\$ 19,527.00</u>     | <u>\$ 1,500,281.00</u>  |

See accompanying notes to financial statements.

CITY OF ORANGE TOWNSHIP  
WATER AND SEWER UTILITY

D-1

STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE  
REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2018 AND 2017

|   | <u>Ref.</u> | <u>2018</u>            | <u>2017</u>            |
|---|-------------|------------------------|------------------------|
| Revenue and Other Income:                       |             |                        |                        |
| Surplus Anticipated                             | D-3         | \$ 1,000,000.00        |                        |
| Water and Sewer Rents                           | D-3, D-11   | 10,578,923.87          | \$ 9,017,959.39        |
| Utility Capital Surplus                         |             |                        | 311,000.00             |
| Non-budget Revenue                              | D-7         | 8,912.87               | 47,232.07              |
| Other Credits to Income:                        |             |                        |                        |
| Due to American Water Cancelled<br>Adjustment   |             |                        | 214,980.47<br>0.21     |
| Unexpended Balance of Appropriation<br>Reserves | D-16        | 242,953.59             | 632,203.61             |
|   |             | <u>11,830,790.33</u>   | <u>10,223,375.75</u>   |
| Expenditures:                                   |             |                        |                        |
| Budget Appropriations                           |             |                        |                        |
| Operations                                      | D-4         | 7,204,587.49           | 6,564,727.00           |
| Debt Service                                    | D-4         | 2,650,351.85           | 2,625,454.94           |
| Deferred Charges                                | D-4         | 930,000.00             | 818,571.00             |
|   |             | <u>10,784,939.34</u>   | <u>10,008,752.94</u>   |
| Excess in Revenues                              |             | 1,045,850.99           | 214,622.81             |
| Adjustments To Income Before Surplus            |             |                        |                        |
| Emergency Appropriation                         | D-27        | 102,801.74             | 500,000.00             |
| Overexpenditure of Appropriation                | D-27        | 656.04                 |                        |
|   |             | <u>103,457.78</u>      | <u>500,000.00</u>      |
| Excess in Revenue                               |             | 1,149,308.77           | 714,622.81             |
| Fund Balance, Beginning of Year                 | D           | 1,045,693.61           | 331,070.80             |
|   |             | <u>2,195,002.38</u>    | <u>1,045,693.610</u>   |
| Fund Balance Utilized                           |             | <u>1,000,000.00</u>    |                        |
| Fund Balance, End of Year                       | D           | <u>\$ 1,195,002.38</u> | <u>\$ 1,045,693.61</u> |

See accompanying notes to financial statements.



CITY OF ORANGE TOWNSHIP  
WATER AND SEWER UTILITY

D-2

STATEMENT OF FUND BALANCE - UTILITY CAPITAL FUND  
REGULATORY BASIS  
DECEMBER 31, 2018 AND 2017

|                                     | <u>Ref.</u> |                      |
|-------------------------------------|-------------|----------------------|
| Balance, December 31, 2018 and 2017 | D           | <u>\$ 548,225.12</u> |

See accompanying notes to financial statements.

CITY OF ORANGE TOWNSHIP  
WATER AND SEWER UTILITY

D-3

STATEMENT OF REVENUE  
ANALYSIS OF REVENUE  
REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2018

|                  | Ref.      | 2018<br>Budget          | Realized                | Excess               |
|------------------|-----------|-------------------------|-------------------------|----------------------|
| Fund Balance     | D-1       | \$ 1,000,000.00         | \$ 1,000,000.00         |                      |
| Rents            | D-1, D-11 | 9,035,000.00            | 9,932,442.31            | \$ 897,442.31        |
| Additional Rents | D-1, D-11 | 646,481.56              | 646,481.56              |                      |
|                  |           | <hr/>                   | <hr/>                   | <hr/>                |
|                  | D-4       | <u>\$ 10,681,481.56</u> | <u>\$ 11,578,923.87</u> | <u>\$ 897,442.31</u> |

See accompanying notes to financial statements.

CITY OF ORANGE TOWNSHIP  
WATER AND SEWER UTILITY

D-4

STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2018

|                             | Ref. | Appropriation<br>Budget | Balance<br>After<br>Transfer | Paid or<br>Charged     | Reserved             |                      | Unexpended<br>Balance<br>Canceled | Over<br>Expended |
|-----------------------------|------|-------------------------|------------------------------|------------------------|----------------------|----------------------|-----------------------------------|------------------|
|                             |      |                         |                              |                        | Encumbered           | Unencumbered         |                                   |                  |
| Operating:                  |      |                         |                              |                        |                      |                      |                                   |                  |
| Salaries and Wages          |      | \$ 156,996.00           | \$ 156,996.00                | \$ 157,652.04          |                      |                      |                                   | \$ 656.04        |
| Other Expenses (Emergency)  |      | 6,931,051.71            | 7,033,853.45                 | 5,479,934.37           | \$ 682,695.17        | \$ 871,223.91        |                                   |                  |
| Debt Service Administration |      | 13,082.00               | 13,082.00                    | 13,080.00              |                      | 2.00                 |                                   |                  |
| Total Operating             | D-1  | <u>7,101,129.71</u>     | <u>7,203,931.45</u>          | <u>5,650,666.41</u>    | <u>682,695.17</u>    | <u>871,225.91</u>    |                                   | <u>656.04</u>    |
| Debt Service:               |      |                         |                              |                        |                      |                      |                                   |                  |
| Payment of Bond Principal   |      | 1,310,000.00            | 1,310,000.00                 | 1,310,000.00           |                      |                      |                                   |                  |
| Interest on Bonds           |      | 785,452.50              | 785,452.50                   | 785,452.50             |                      |                      |                                   |                  |
| Interest on Notes           |      | 38,725.62               | 51,725.62                    | 51,725.62              |                      |                      |                                   |                  |
| NJEIT Loan Debt Service     |      | 516,173.73              | 503,173.73                   | 503,173.73             |                      |                      |                                   |                  |
| Total Debt Service          | D-1  | <u>2,650,351.85</u>     | <u>2,650,351.85</u>          | <u>2,650,351.85</u>    |                      |                      |                                   |                  |
| Deferred Charges:           |      |                         |                              |                        |                      |                      |                                   |                  |
| Emergency Authorization     |      | 430,000.00              | 430,000.00                   | 430,000.00             |                      |                      |                                   |                  |
| 2017 Per State Report       |      | 500,000.00              | 500,000.00                   | 500,000.00             |                      |                      |                                   |                  |
|                             |      | <u>\$ 10,681,481.56</u> | <u>\$ 10,784,283.30</u>      | <u>\$ 9,231,018.26</u> | <u>\$ 682,695.17</u> | <u>\$ 871,225.91</u> |                                   | <u>\$ 656.04</u> |
|                             | Ref. | D-3                     | D-1                          | Below                  | D                    | D                    |                                   | D-27             |
| Adopted Budget              | D-3  |                         | \$ 10,681,481.56             |                        |                      |                      |                                   |                  |
| Emergency Appropriation     | D-27 |                         | <u>102,801.74</u>            |                        |                      |                      |                                   |                  |
|                             |      |                         | <u>\$ 10,784,283.30</u>      |                        |                      |                      |                                   |                  |
| Cash Disbursements          | D-5  |                         |                              | \$ 8,292,226.89        |                      |                      |                                   |                  |
| Deferred Charges            | D-27 |                         |                              | 930,000.00             |                      |                      |                                   |                  |
| Accrued Interest            | D-18 |                         |                              | 8,791.37               |                      |                      |                                   |                  |
|                             |      |                         |                              | <u>\$ 9,231,018.26</u> |                      |                      |                                   |                  |

See accompanying notes to financial statements.

CITY OF ORANGE TOWNSHIP  
GENERAL FIXED ASSETS ACCOUNT GROUP

COMPARATIVE BALANCE SHEETS  
REGULATORY BASIS  
DECEMBER 31, 2018 AND 2017

E

|                            | <u>2018</u>             | <u>2017</u>             |
|----------------------------|-------------------------|-------------------------|
| Land                       | \$ 15,040,400.00        | \$ 15,040,400.00        |
| Land Improvements          | 14,176,800.00           | 14,176,800.00           |
| Machinery and Equipment    | <u>11,149,368.00</u>    | <u>11,721,108.00</u>    |
|                            | <u>\$ 40,366,568.00</u> | <u>\$ 40,938,308.00</u> |
| <br>                       |                         |                         |
| Investment in Fixed Assets | <u>\$ 40,366,568.00</u> | <u>\$ 40,938,308.00</u> |

See accompanying notes to financial statements.

# CITY OF ORANGE TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2018 AND 2017

### 1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **Reporting Entity**

The City of Orange Township (the "City") was organized as a Mayor-Council Plan D municipality in accordance with the provisions of N.J.S.A. 40:69A-61 et seq. and amended by N.J.S.A. 40:69A-208.1. The City is governed by an elected Mayor and Council. The Council shall consist of seven members which are elected three at large and four from wards by voters of the municipality.

Each member of the Council carries a legislative vote.

GASB Statement No. 14 as amended by GASB No. 61 establishes certain standards for defining and reporting on the financial reporting entity. In accordance with these standards, the reporting entity should include the primary government and those component units which are fiscally accountable to the primary government.

#### **Basic Financial Statements**

The financial statements of the City include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the City, as required by the provisions of N.J.S.A. 40A:5-5. The financial statements, however, do not include the operations of the Municipal Library, which is a separate entity subject to a separate examination.

The Governmental Accounting Standards Board and subsequent Codification (collectively, "GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles for state and local governments. The GASB establishes seven fund types and two account groups to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America ("GAAP").

The accounting policies of the City conform to the accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is a Special Purpose Framework of accounting other than generally accepted accounting principles. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the City accounts for its financial transactions through the separate funds, which differ from the fund structure required by GAAP.

#### **Basis of Accounting**

The City uses funds, as required by the Division, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial administration by segregating transactions related to certain City functions or activities. An account group, on the other hand, is designed to provide accountability for certain assets and liabilities that are not recorded in those funds.

The City has the following funds and account groups:

- **Current Fund** – This fund is used to account for resources and expenditures for governmental operations of a general nature, including Federal and State grants which are reflected in a segregated section of the Current Fund.
- **Trust Funds** – The records of receipts, disbursements and custodianship of monies in accordance with the purpose for which each account was created are maintained in Trust Funds. These include the General Trust Fund, Animal Control Trust Fund, Grant Trust Fund and Municipal Insurance Trust Fund.

CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2018 AND 2017

1. **REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

- General Capital Fund – This fund is used to account for the receipt and disbursement of funds used for acquisition or improvement of general capital facilities, other than those acquired in the Current Fund, as well as the long-term debt accounts.
- Water and Sewer Utility Fund – This fund is used to account for the revenues and expenditures for the operation of the City's Water and Sewer Utility activities and the assets and liabilities relative to such activities. Acquisition or improvement of capital facilities for the Water and Sewer Utility, as well as the related long-term debt accounts, is accounted for in the capital section of the fund.
- Capital Fixed Assets – These accounts reflect estimated valuations of land, buildings and certain movable fixed assets of the City.

**Accounting Principles**

The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from GAAP applicable to local government units. The more significant differences are as follows:

Miscellaneous Revenues – Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are subject to accrual are recorded with offsetting reserves on the balance sheet of the City's Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become subject to accrual.

Grant Revenues – Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the City budget. GAAP requires such revenues to be recognized in the accounting period when they are earned and the expenditures to be recognized when the liability is incurred.

Property Tax Revenues – Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. Taxes are payable in four quarterly installments on February 1, May 1, August 1 and November 1. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500.00. The City also imposes a 6% year end penalty for a delinquency over \$10,000.00 as of December 31. The School levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the City. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on May 1 in the year following the calendar year levy when the same became in arrears, the collector of the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing the property on a tax sale. The City institutes annual in rem tax foreclosure proceedings to enforce the tax collection or acquisition of the property. In accordance with the accounting principles prescribed by the Division, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become subject to accrual, reduced by an allowance for doubtful accounts.

Budget and Budgetary Accounting – An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the City and approved by the Division per N.J.S.A. 40A:4 et seq. The City is not required to adopt budgets for the following funds:

- General and Utility Capital Funds
- Trust Funds

CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2018 AND 2017

**1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

The governing body shall introduce and approve the annual budget no later than February 10 of the year. The budget shall be adopted not later than April 20 and prior to adoption must be certified by the Division. The Director of the Division, with the approval of the Local Finance Board, may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year.

The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the Governing Body of the municipality. During the last two months of the year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level.

Expenditures – Are recorded on the “budgetary” basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at December 31<sup>st</sup> are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations, at December 31<sup>st</sup> are reported as expenditures through the establishment of appropriation reserves, unless cancelled by the Governing Body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Encumbrances – Contractual orders outstanding at December 31<sup>st</sup> are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

Appropriation Reserves – Are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

Compensated Absences – Expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

Property Acquired for Taxes – Is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at market value on the date of acquisition.

Interfunds – Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve.

Fixed Assets – In Accordance with Accounting for Governmental Fixed Assets, as promulgated by the Division, which differs in certain respects from GAAP, the City has not developed a fixed asset accounting and reporting system.

General Capital Fixed Assets - General Capital Fixed Assets used in governmental operations are accounted for in the Capital Fixed Assets. Public domain (infrastructure) general capital fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Acquisitions of land, buildings, machinery, equipment and other capital assets are recorded on a perpetual capital fixed asset record. Vehicles, furniture, equipment and other items are reflected at replacement values at time of inventory preparation. Additions to the established capital fixed

CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2018 AND 2017

1. **REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

assets are valued at cost.

Utilities – Capital acquisitions, including utility infrastructure costs of the Water and Sewer Utility are recorded at cost upon purchase or project completion in the Fixed Asset Account of the Utility. The Fixed Asset account is adjusted for dispositions or abandonments. Utility improvements that may have been constructed by developers are not recorded as additions to Fixed Capital. Fixed Capital of the Utilities are offset by accumulations in the Amortization Reserve Accounts. The accumulations represent costs of fixed assets purchased with budgeted funds or acquired by gift as well as grants, developers' contributions or liquidations of bonded debt and other liabilities incurred upon fixed asset acquisition.

Inventories – An annual inventory of materials and supplies for the Water and Sewer Utility is required by regulation, to be prepared by City personnel for inclusion on the Water Sewer Utility Operating Fund's balance sheet. Annual changes in valuations, offset with a Reserve Account, are not considered as affecting results of operations. The costs of inventories of supplies for other funds are recorded as expenditures at the time individual items are purchased and are not inventoried nor included on their respective balance sheets.

Cash and Investments – Cash includes amounts in demand deposits as well as short-term investments with a maturity date within one year of the date acquired by the government. Investments are stated at cost and are limited by N.J.S.A. 40A:5-15.1 to bonds or obligations of, or guaranteed by, the Federal Government and bonds or other obligations of Federal or local its having a maturity date not more than twelve months from the date of purchase. GAAP requires that investments be reported at fair value.

Tax Appeal and Other Contingent Losses – Losses arising from tax appeals and other contingent losses are recognized at the time a decision is rendered by an administrative or judicial body and not when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.

Use of Estimates – The preparation of financial statements in accordance with accounting principles and practices prescribed by the Division requires management of the City to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

The GASB Codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The City presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

**Reclassifications**

Certain prior year amounts have been reclassified for consistency with current year presentation. These reclassifications had no effect on the reported results of operations.

**Recent Pronouncements**

The GASB issued Statement 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions in June 2015. This Statement replaces the requirements of Statement 45 and the primary objective of this Statement is to improve accounting and reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local government employers about financial support for OPEB that is provided by other entities. The requirements of this Statement are effective for financial statements for reporting periods beginning after June 15, 2017. Management has implemented this Statement in the 2018 financial statements.



CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2018 AND 2017

**2. CASH, CASH EQUIVALENTS AND INVESTMENTS**

Deposits:

New Jersey Statutes permit the deposit of public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation (FDIC), the Savings Association Insurance Fund (SAIF), or by any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund.

The State of New Jersey Cash Management Fund (the "Fund") is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities which mature or are redeemed within one year. Twenty-five percent of the fund may be invested in eligible securities which mature within two years provided, however, the average maturity of all investments in the Fund shall not exceed one year. Collateralization of fund investments is generally not required.

In addition, by regulation of the Division, municipalities are allowed to deposit funds in Government Money Market Mutual Funds purchased through state registered brokers/dealers and banks.

New Jersey Statutes require public depositories to maintain collateral for deposits of public funds that exceed insurance limits as follows:

The Market Value of the collateral must equal five percent of the average daily balance of public funds; or

If the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

The City's deposits are insured through either the Federal Deposit Insurance Corporation ("FDIC") or New Jersey's Governmental Unit Deposit Protection Act ("GUDPA"). The City is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. GUDPA requires all banks doing business in the State of New Jersey to maintain additional collateral in the amount of 5% of the average public deposits and to deposit these amounts with the Federal Reserve Bank for all deposits not covered by the FDIC.

Custodial Credit Risk – the custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned to it. Although the City does not have a formal deposit policy for custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in a public depositories protected from loss under the provisions of GUDPA. Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. As of December 31, 2018 and 2017 the City's bank balances were exposed to custodial credit risk.

CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2018 AND 2017

**2. CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)**

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank for periods ending December 31, 2018 and 2017. At December 31, 2018 and 2017, the book value of the City's deposits were \$21,414,600.89 and \$29,099,213.02 respectively. The City's deposits, which are displayed on the various fund Balance Sheets as "cash" are categorized as:

| <u>Depository Account</u>    | <u>December 31,<br/>2018</u> | <u>December 31,<br/>2017</u> |
|------------------------------|------------------------------|------------------------------|
| Insured                      | \$ 750,000.00                | \$ 750,000.00                |
| Uninsured and Collateralized | <u>22,308,638.35</u>         | <u>25,464,592.40</u>         |
|                              | <u>\$ 23,058,638.35</u>      | <u>\$ 26,214,592.40</u>      |

Investments:

New Jersey Statutes allow the City to purchase the following types of securities:

- Bonds or other obligations of the United States or obligations guaranteed by the United States.
- Government Money Market Mutual Funds.
- Any obligations that a federal agency or a federal instrumentality has issued, with security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest.
- Bonds or other obligations of the City or bonds or other obligations of school districts, which are a part of the City or school districts located within the City.
- Bonds or other obligations having a maturity date of not more than 397 days from the date of purchase that are approved by the New Jersey Department of Treasury, Division of Investments.
- Local Government investment pools.
- Agreements for the repurchase of fully collateralized securities, if transacted in accordance with N.J.S.A. 40A:5-15.1 (8a-8e).

**3. TAXES RECEIVABLE AND TAX TITLE LIENS**

Property assessments are determined on true values and taxes are assessed based upon these values. The residential tax bill includes the levies for the City, County and School purposes. Certified adopted budgets are submitted to the County Board of Taxation (the "Board") by each taxing district. The tax rate is determined by the Board upon the filing of these budgets.

The tax bills are mailed by the Tax Collector annually in June and are payable in four quarterly installments due the first of August and November of the current year and a preliminary billing due the first of February and May of the subsequent year. The August and November billings represent the third and fourth quarter installments and are calculated by taking the total year tax levy less the preliminary first and second quarter installments due February and May. The preliminary levy is based on one-half of the current year's total tax.

CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2018 AND 2017

3. TAXES RECEIVABLE AND TAX TITLE LIENS (continued)

Tax installments not paid by the above due dates are subject to interest penalties determined by a resolution of the Governing Body. The rate of interest, in accordance with the aforementioned resolution, is 8% per annum on the first \$1,500.00 of delinquency and 18% on any delinquency in excess of \$1,500.00. The resolution also sets a grace period of ten days before interest is calculated. In addition, any delinquency in excess of \$10,000.00 at the end of the calendar year is subject to a 6% penalty on the unpaid balance.

Taxes unpaid on the 11<sup>th</sup> day of the eleventh month in the fiscal year when the taxes became in arrears are subject to the tax sale provisions of the New Jersey Statutes. The municipality may institute in rem foreclosure proceedings after six months from the date of the sale if the lien has not been redeemed.

The following is a five year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous two years:

**Comparative Schedule of Tax Rates:**

|                              | Year<br><u>2018</u> | Year<br><u>2017</u> | Year<br><u>2016</u> |
|------------------------------|---------------------|---------------------|---------------------|
| Tax Rate                     | \$ 5.230            | \$ 4.870            | \$ 4.778            |
| Apportionate of<br>Tax Rate: |                     |                     |                     |
| Municipal                    | \$ 3.669            | \$ 3.337            | \$ 3.266            |
| County                       | 0.591               | 0.573               | 0.565               |
| County Open Space            | 0.019               | 0.017               | 0.017               |
| School                       | 0.951               | 0.943               | 0.930               |

**Assessed Valuations:**

| Calendar<br>Year | Amount              |
|------------------|---------------------|
| 2018             | \$ 1,291,041,900.00 |
| 2017             | 1,293,376,312.00    |
| 2016             | 1,284,813,847.00    |

**Comparison of Tax Levies and Collections:**

| Calendar<br>Year | Tax Levy         | Collections      | Percentage<br>of Collections |
|------------------|------------------|------------------|------------------------------|
| 2018             | \$ 67,917,462.14 | \$ 64,071,160.05 | 94.34%                       |
| 2017             | 63,174,965.42    | 58,934,041.92    | 93.29%                       |
| 2016             | 62,620,723.70    | 58,360,234.88    | 92.99%                       |

CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2018 AND 2017

3. TAXES RECEIVABLE AND TAX TITLE LIENS (continued)

**Delinquent Taxes and Tax Title Liens:**

| <u>Calendar Year</u> | <u>Amount of Tax Title Liens</u> | <u>Amount of Delinquent Taxes</u> | <u>Total Delinquent</u> | <u>Percentage of Tax Levy</u> |
|----------------------|----------------------------------|-----------------------------------|-------------------------|-------------------------------|
| 2018                 | \$ 3,405,107.54                  | \$ 3,342,669.04                   | \$ 6,747,776.58         | 9.94%                         |
| 2017                 | 2,794,819.70                     | 3,688,781.93                      | 6,483,601.63            | 10.26%                        |
| 2016                 | 2,858,956.39                     | 3,436,456.84                      | 6,295,413.23            | 10.05%                        |

4. PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

The value of property acquired by liquidation of tax title liens, on the basis of the last assessed valuation of such properties in the year of acquisition is as follows:

| <u>Calendar Year</u> | <u>Amount</u> |
|----------------------|---------------|
| 2018                 | \$ 856,500.00 |
| 2017                 | 856,500.00    |
| 2016                 | 856,500.00    |

5. WATER/SEWER CONSUMER ACCOUNTS RECEIVABLE

The City maintains a utility fund for the billing and collection of water and sewer rents. The City is divided into three sections for the purposes of billings which are done on a quarterly basis.

A comparison of Water and Sewer Utility billings and collections for the past three years is as follows:

| <u>Calendar Year</u> | <u>Billing</u>   | <u>Collection</u> |
|----------------------|------------------|-------------------|
| 2018                 | \$ 10,755,781.43 | \$ 10,578,923.87  |
| 2017                 | 9,146,655.94     | 9,017,959.39      |
| 2016                 | 8,143,787.68     | 8,208,347.31      |

Collections include prior year billings.

6. FUND BALANCES APPROPRIATED

**Schedule of Fund Balances Appropriated:**

|  | <u>Year</u> | <u>Balance December 31,</u> | <u>Utilized in Budgets Succeeding Year</u> |
|--|-------------|-----------------------------|--|
| Current Year                           | 2018        | \$ 5,041,342.74             | \$ 4,250,000.00                            |
|  | 2017        | 5,240,942.29                | 4,750,000.00                               |
|  | 2016        | 7,543,340.77                | 4,760,548.00                               |
| Water/Sewer Utility<br>Operating Fund: | 2018        | \$ 1,195,002.38             | \$ 200,000.00                              |
|  | 2017        | 1,045,693.61                | 1,000,000.00                               |
|  | 2016        | 331,070.80                  |  |

CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2018 AND 2017

**7. HEALTH BENEFITS**

P.L. 2011 Ch. 78 Section 39 established guidelines for implementing employee contributions to the cost of their health insurance coverage.

The benefit cost of coverage is the premium. For State Health Benefit Plan (“SHBP”) employers, the cost of coverage is the cost of medical and prescription coverage. For non-SHBP employers, the law requires that the cost of coverage includes all health care benefits; medical, prescription, dental, vision etc.

The base salary of the employees determines the percent of premium cost that is contributed.

The contribution is phased in at 25% per year:

- a) For employees hired on June 28, 2011 and not subject to Collective Negotiations Agreement (“CNA”) that is in effect, contributions are effective on date of hire.
- b) When a CNA that is in effect on June 28, 2011 expires or is in almost any way modified

Full contribution (Year 4) takes effect immediately for employees hired after June 28, 2011 who are not covered by a CNA or would be covered by a CNA that has expired.

When contributions begin, if the 1.5% of base salary calculation under Ch. 2 is greater than the standard contribution, that amount is paid until the new contribution percentage is greater.

**8. PENSION PLANS**

**Public Employee Retirement System**

The Public Employee Retirement System is a cost-sharing, multiple employer defined benefit pension plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the PERS Plan are as follows:

*Plan Membership and Contributing Employers-* Substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency are enrolled in PERS, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or other jurisdiction’s pension fund. Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2018 and 2017:

|   | <u>2018</u>           | <u>2017</u>           |
|---|-----------------------|-----------------------|
| Inactive plan members or beneficiaries currently receiving benefits | 174,904               | 170,124               |
| Inactive plan members entitled to but not yet receiving benefits    | 589                   | 650                   |
| Active plan members   | <u>254,780</u>        | <u>254,685</u>        |
| Total   | <u><u>430,273</u></u> | <u><u>425,459</u></u> |

Contributing Employers – 1,703

*Significant Legislation* – For State of New Jersey contributions to PERS, Chapter 1, P.L. 2010, effective May 21, 2010, required the State to resume making actuarially recommended contributions to the pension plan on a phased-in basis over a seven year period beginning in the fiscal year ended June 30, 2012. For State fiscal year 2018, the State was required to make a minimum contribution representing 7/7<sup>th</sup> of the actuarially determined contribution amount based on the July 1, 2014 actuarial valuation.

CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2018 AND 2017

**8. PENSION PLANS (continued)**

Pursuant to the provision of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of PERS.

For the year ended December 31, 2018 and 2017 the City's total payroll for all employees was \$27,245,037 and \$28,016,759, respectively. Total PERS covered payroll was \$6,419,187 and \$6,045,566, respectively. Covered payroll refers to pensionable compensation, rather than total compensation, paid by the City to active employees covered by the Plan.

*Specific Contribution Requirements and benefit provisions* – The contribution policy is set by N.J.S.A 43:15 and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012 until a 7.5% member contribution rate is reached in July 2018. The phase-in of the additional incremental member contribution rate will take place in July of each subsequent State fiscal year.

Employers' contribution amounts are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. City contributions are due and payable on April 1<sup>st</sup> in the second fiscal period subsequent to plan year for which the contributions requirements were calculated.

City payments to PERS for the years ending December 31, 2018 and 2017 consisted of the following:

|                       | <u>2018</u> | <u>2017</u> |
|-----------------------|-------------|-------------|
| Total Regular Billing | \$ 743,759  | \$ 701,083  |

The City recognizes liabilities to PERS and records expenditures for same in the fiscal period that bills become due.

The vesting and benefit provisions are set by N.J.S.A. 43:15. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

| <u>Tier</u> | <u>Definition</u>  |
|-------------|--|
| 1           | Members who were enrolled prior to July 1, 2007.   |
| 2           | Members who were eligible to enroll on or after July 1, 2007 and prior to November 8, 2008 |
| 3           | Members who were eligible on or after November 2, 2008 and prior to May 22, 2010           |
| 4           | Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011    |
| 5           | Members who were eligible to enroll on or after June 28, 2011                              |

CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2018 AND 2017

8. PENSION PLANS (continued)

A service retirement benefit of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, to tier 3 and 4 members before age 62 and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age of his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

*Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions* – The regulatory basis of accounting which is basis for the preparation of the City’s basic financial statements does not require or permit the inclusion of entity-wide, full accrual basis financial statements. Accordingly, the City does not recognize pension liabilities for any current or prior period until the fiscal period in which such payments will become due and payable.

At June 30, 2018, the PERS reported a net pension liability of \$19,689,501,539 for its Non-State Employer Member Group. The City’s proportionate share of the net pension liability for the Non-State Employer Member Group that is attributable to the City was \$16,837,894 or 0.0855171100% which was an increase of 0.0011177427% from its proportion measured as of June 30, 2018. The Pension liability for June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2018.

At June 30, 2017, the PERS reported a net pension liability of \$23,278,401,588 for its Non-state Employer Member Group that is attributable to the City was \$19,646,824 or 0.0843993673%.

At December 31, 2018 the City would have reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources, if GASB #68 was recognized:

|  | Deferred<br>Outflows<br><u>of Resources</u> | Deferred<br>Inflows<br><u>of Resources</u> |
|--|---|--|
| Differences between expended and actual experience   | \$ 321,101                                  | \$ 86,822                                  |
| Changes in assumptions   | 2,774,606                                   | 5,383,863                                  |
| Net difference between projected and actual earnings<br>on pension plan investments                              |   | 157,940                                    |
| Changes in proportion and differences between Township<br>contributions and proportionate share of contributions | 1,012,484                                   | 76,017                                     |
| Township contributions subsequent to the measurement date  | 850,619                                     |  |

CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2018 AND 2017

8. PENSION PLANS (continued)

\$850,619 shown as deferred outflows of resources related to PERS resulting from City contributions subsequent to the measurement. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expenses on a GAAP basis as follows:

| Year ended<br>December 31, | Amount                |
|----------------------------|-----------------------|
| 2019                       | \$ 387,065            |
| 2020                       | 155,994               |
| 2021                       | (891,898)             |
| 2022                       | (907,678)             |
| 2023                       | (339,934)             |
| Total                      | <u>\$ (1,596,451)</u> |

*Actuarial Assumptions-* The total pension liability in the June 30, 2018 and June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

|                                 |                           |
|---------------------------------|---------------------------|
| Inflation                       | 2.25%                     |
| Salary Increases (through 2026) | 1.65 - 4.15% Based on age |
| Thereafter                      | 2.65 -5.15% Based on age  |
| Investment rate of return       | 7.00%                     |

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale.

Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation)



CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2018 AND 2017

8. PENSION PLANS (continued)

are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2018 and 2017 are summarized in the following table:

| <u>Asset Class</u>               | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|----------------------------------|--------------------------|---|
| Cash                             | 5.50%                    | 1.00%   |
| U.S. Treasuries                  | 3.00%                    | 1.87%   |
| Global diversified credit        | 5.00%                    | 7.10%   |
| Credit orientated hedge funds    | 1.00%                    | 6.60%   |
| Debt related private equity      | 2.00%                    | 10.63%  |
| Debt related real estate         | 1.00%                    | 6.61%   |
| Real Estate (Property)           | 2.50%                    | 11.83%  |
| Equity related real estate       | 6.25%                    | 9.23%   |
| U.S. Equities                    | 30.00%                   | 8.19%   |
| Non - US developed market equity | 11.50%                   | 9.00%   |
| Emerging Market Equities         | 6.50%                    | 11.64%  |
| Buyouts/venture capital          | 8.25%                    | 13.08%  |
| Absolute return/risk mitigation  | 5.00%                    | 5.51%   |
| Investment Grade Credit          | 10.00%                   | 3.78%   |
| Public high yield                | 2.50%                    | 6.82%   |
|                                  | 100.00%                  |   |

*Discount Rate* – The discount rate used to measure the total pension liability as of June 30, 2017 was 5.00% and as of June 30, 2018 was 5.66%. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.87% as of June 30, 2018 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2046 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2018 AND 2017

8. PENSION PLANS (continued)

*Sensitivity of Net Pension Liability* – the following presents the net pension liability of PERS calculated using the discount rates as disclosed above as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage rate higher than the current rate:

|      | At 1%<br>Decrease | At Current<br>Discount Rate | At 1%<br>Increase |
|------|-------------------|-----------------------------|-------------------|
| PERS | \$ 21,171,712     | \$ 16,837,894               | \$ 13,202,098     |

*Plan Fiduciary Net Position* – The plan fiduciary net position for PERS, including the State of New Jersey, at June 30, 2018 and 2017 were \$29,472,374,536 and \$28,464,239,518 respectively. The portion of the Plan Fiduciary Net Position was allocable to the Local (Non-Sate) Groups at June 30, 2018 and 2017 was \$22,742,071.972 and \$21,573,965,463, respectively.

*Additional Information*

Collective balances at June 30, 2018 are as follows:

|  |                  |
|--|------------------|
| Collective deferred outflows of resources      | \$ 4,684,852,302 |
| Collective deferred inflows of resources       | 7,646,736,226    |
| Collective net pension liability - Local group | 19,689,501,539   |
| Township's Proportion                          | 0.0855171140%    |

Collective pension expense for the Local Group for the measurement period ended June 30, 2018 and 2017 was \$1,099,708,157 and \$1,694,305,613, respectively. The average of the expected remaining service lives of all plan members if 5.63 5.48, 5.57, 5.72 and 6.44 years for 2018, 2017, 2016, 2015 and 2014, respectively.

**State Contribution Payable Dates**

Prior to July 1, 2017 valuation, it is assumed the State will make pension contributions the June 30<sup>th</sup> following the valuation date. Effective with the July 1, 2017 valuation Chapter 83 P.L. 2016 requires the State to make pension contributions on a quarterly basis at least 25% by September 30, at least 50% by December 31, at least 75% by March 31, and at least 100% by June 30.

**Receivable Contributions**

The Fiduciary Net Position (FNP), includes local employers' contributions receivable as reported in the financial statements provided by the Division of Pensions and Benefits. In determining the discount rate, the FNP at the beginning of each year does not reflect receivable contributions as those amounts are not available at the beginning of the year to pay benefits. The receivable contributions for the years ended June 30, 2018 and June 30, 2017 are \$1,017,878,064 and \$1,073,054,740, respectively.

**Police and Firemen's Retirement System**

The Police and Firemen's Retirement System is a cost-sharing, multiple employer defined benefit pension plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the PFRS Plan are as follows:

*Plan Membership and Contributing Employers*- Substantially all full-time county and municipal police and firemen and state firemen or officer employees with police powers appointed after June 30, 1944 are

CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2018 AND 2017

**8. PENSION PLANS (continued)**

enrolled in PFRS Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2018 and 2017:

|   | <u>2018</u>          | <u>2017</u>          |
|---|----------------------|----------------------|
| Inactive plan members or beneficiaries currently receiving benefits | 43,755               | 43,011               |
| Inactive plan members entitled to but not yet receiving benefits    | 39                   | 47                   |
| Active plan members   | <u>41,517</u>        | <u>40,789</u>        |
| Total   | <u><u>85,311</u></u> | <u><u>83,847</u></u> |

Contributing Employers – 585

In addition to the State, who the sole payer of regular employer contributions to the fund, PFP's contributions employers include Boards of Education who elect to participate in the Early Retirement Incentive Program (ERIP) and are legally responsible to continue to pay toward their liability. The current number of ERIP contributions employers is 26.

*Significant Legislation* – For State of New Jersey contributions to PFRS, Chapter 1, P.L. 2010, effective May 21, 2010, required the State to resume making actuarially recommended contributions to the pension plan on a phased-in basis over a seven year period beginning in the fiscal year ended June 30, 2012.

For the year ended June 30, 2018, it is assumed that the local employers will contribute 100% of their actuarially determined contribution and 100% of their Non-Contributory Group Insurance Premium Fund (NCGIPF) contribution while the State will contribute 50% of its actuarially determined contribution and 100% of its NCGIPF contribution. The 50% contribution rate is its actual total State contribution rate paid in fiscal year ending June 30, 2018 with respect to the actuarially determined contribution for the fiscal year ending June 30, 2018 for all State administered retirement systems.

In accordance with Chapter 98, P.L. 2017, PERS receives 1.2% of the proceeds of the Lottery Enterprise for a period of 30 years. Revenues from lottery proceeds are assumed to be contributed to the System on a monthly basis.

Pursuant to the provision of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of PFRS.

For the years ended December 31, 2018 and 2017 the City's total payroll for all employees was \$27,245,037 and \$28,016,759. Total PFRS covered payroll was \$16,458,317 and \$15,859,467. Due to payroll system limitations, covered payroll refers to pensionable compensation, rather than total compensation, paid by the City to active employees covered by the Plan.

Specific Contribution Requirements and benefit provisions – The contribution policy is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contributions rate increased from 8.5% of annual compensation to 10.0% in October 2011. Employer contribution amounts are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. City contributions are due and payable on April 1<sup>st</sup> in the second fiscal period subsequent to plan year for which the contributions requirements were calculated. City payments to PFRS made in the years ending December 31, 2018 and 2017 consisted of the following:

|                              | <u>2018</u>         | <u>2017</u>         |
|------------------------------|---------------------|---------------------|
| Total PFRS Payment - Regular | <u>\$ 3,842,817</u> | <u>\$ 3,471,449</u> |

CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2018 AND 2017

**8. PENSION PLANS (continued)**

The City recognizes liabilities to PFRS and records expenditures for same in the fiscal period that bills become due.

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for disability benefits, which vest after 4 years of service.

The following represents the membership tiers for PFRS:

| <u>Tier</u> | <u>Definition</u>   |
|-------------|---|
| 1           | Members who were enrolled prior to May 22, 2010   |
| 2           | Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011 |
| 3           | Members who were eligible on or after June 28, 2011                                     |

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

*Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions* – The regulatory basis of accounting which is basis for the preparation of the City's basic financial statements does not require or permit the inclusion of entity-wide, full accrual basis financial statements. Accordingly, the City does not recognize pension liabilities for any current or prior period until the fiscal period in which such payments will become due and payable.

At June 30, 2018, the PFRS reported a net pension liability of \$15,369,699,278 for its Non-State, Non-Special Funding Situation Employer Member Group. The City's proportionate share of the net pension liability for the Non-State Non-Special Funding Situation Employer Member Group was \$65,848,366 or 0.4866248635%, which was an increase of 0.0524173094 % from its proportion measured as of June 30, 2017. At June 30, 2017, the PFRS reported a net pension liability of \$17,167,260,198 for its Non-State, Non-Special Funding Situation Employer Member Group. The City's proportionate share of the net pension liability for the Non-State Non-Special Funding Situation Employer Member Group was \$67,028,252 or 0.04342075541%.

At December 31, 2018, the City would have reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources, if GASB #68 was recognized:

|  | <u>Outflows<br/>of Resources</u> | <u>Inflows<br/>of Resources</u> |
|--|----------------------------------|---------------------------------|
| Differences between expected and actual experience   | \$ 669,921                       | \$ 272,496                      |
| Changes in assumptions   | 5,652,196                        | 16,875,800                      |
| Net difference between projected and actual earnings<br>on pension plan investments                              |                                  | 360,250                         |
| Changes in proportion and differences between Township<br>contributions and proportionate share of contributions | 7,538,183                        | 1,546,183                       |
| Township contributions subsequent to the measurement date  | 4,757,475                        |                                 |

CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2018 AND 2017

**8. PENSION PLANS (continued)**

\$4,757,475 shown as deferred outflows of resources related to PFRS resulting from City contributions subsequent to the measurement. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to PFRS would have been recognized in pension expense on GAAP basis as follows:

| Year ended<br>December 31, | Amount                |
|----------------------------|-----------------------|
| 2019                       | \$ 1,854,275          |
| 2020                       | (836,771)             |
| 2021                       | (4,067,075)           |
| 2022                       | (2,065,536)           |
| 2023                       | (79,332)              |
| Total                      | <u>\$ (5,194,439)</u> |

*Actuarial Assumptions-* The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

|                                 |                           |
|---------------------------------|---------------------------|
| Inflation                       | 2.25%                     |
| Salary Increases (through 2026) | 2.10 - 8.98% Based on age |
| Thereafter                      | 3.10 - 9.98% Based on age |
| Investment rate of return       | 7.00%                     |

Pre-retirement mortality rates were based on the RP-2000 Pre-Retirement mortality tables projected thirteen years using Projection Scale BB and then projected on a generational basis using the plan actuary's modified 2014 projection scales. Post-retirement mortality rates for male service retirements and beneficiaries are based the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and two years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's 2014 projection scales. Post-retirement mortality rates for female service retirements and beneficiaries were based the RP-2000 Combined Healthy Mortality Tables projected thirteen years using Projection Scale BB and then two years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's modified 2014 projection scales. Disability mortality tables were based on special mortality tables used for the period after disability retirement.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class

CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2018 AND 2017

8. PENSION PLANS (continued)

included in the pension plans' target asset allocation as of June 30, 2018 and 2017 are summarized in the following table:

| <u>Asset Class</u>               | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|----------------------------------|--------------------------|---|
| Cash                             | 5.50%                    | 1.00%   |
| U.S. Treasuries                  | 3.00%                    | 1.87%   |
| Global diversified credit        | 5.00%                    | 7.10%   |
| Credit orientated hedge funds    | 1.00%                    | 6.60%   |
| Debt related private equity      | 2.00%                    | 10.63%  |
| Debt related real estate         | 1.00%                    | 6.61%   |
| Private Real Estate              | 2.50%                    | 11.83%  |
| Equity related real estate       | 6.25%                    | 9.23%   |
| U.S. Equities                    | 30.00%                   | 8.19%   |
| Non - US developed market equity | 11.50%                   | 9.00%   |
| Emerging Market Equities         | 6.50%                    | 11.64%  |
| Buyouts/venture capital          | 8.25%                    | 13.08%  |
| Absolute return/risk mitigation  | 5.00%                    | 5.51%   |
| Investment Grade Credit          | 10.00%                   | 3.78%   |
| Public high yield                | 2.50%                    | 6.82%   |
|                                  | <u>100.00%</u>           |   |

*Discount Rate* – The discount rate used to measure the total pension liability was as of June 30, 2017 was 6.14% and as of June 30, 2018 was 6.51%. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.58% as of June 30, 2017 and 3.87% as of June 30, 2018 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through June 30, 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2062, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

*Sensitivity of Net Pension Liability* – the following presents the net pension liability of PFRS calculated using the discount rates as disclosed above as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage rate higher than the current rate:

|      | <u>At 1% Decrease</u> | <u>At Current Discount Rate</u> | <u>At 1% Increase</u> |
|------|-----------------------|---------------------------------|-----------------------|
| PFRS | \$ 88,129,866         | \$ 65,848,369                   | \$ 47,470,187         |

CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2018 AND 2017

**8. PENSION PLANS (continued)**

*Plan Fiduciary Net Position* – The plan fiduciary net position for PFRS at June 30, 2018 and 2017 was \$27,098,556,100 and \$25,847,718,399, respectively.

*Additional Information*

Collective balances at June 30, 2018 are as follows:

|  |    |                |
|--|----|----------------|
| Collective deferred outflows of resources      | \$ | 1,988,215,695  |
| Collective deferred inflows of resources       |    | 4,286,994,294  |
| Collective net pension liability - Local group |    | 15,369,699,278 |
| City's Proportion                              |    | 0.4866248635%  |

Collective pension expense for the Local Group for the measurement period ended June 30, 2018 and 2017 was \$1,270,762,352 and \$1,624,455,951 respectively. The average of the expected remaining service lives of all plan members is 5.73, 5.59, 5.58, 5.53 and 6.17 years for 2018, 2017, 2016, 2015 and 2014, respectively.

Special Funding Situation - Under N.J.S.A 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation and state is treated as a non-employer entity. The non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the City as of June 30, 2018 and 2017 for police and fire is 0.4866248635% and 0.4342075541%, respectively. The non-employer contributing entities' contribution for the year ended June 30, 2018 and 2017 was \$529,785, and \$375,446, respectively. The state's proportionate share of net pension liability attributable to the City as of June 30, 2018 and 2017 was \$8,944,412 and \$7,508,289, respectively.

**Defined Contribution Retirement Plan**

DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. Prudential is acting on behalf of the NJ Division of Pensions and Benefits as the record keeper and investment funds manager. Chapter 1, P.L. 2010 increased the minimum annual salary required for eligibility in the DCRP. An employee must earn an annual salary of at least \$5,000 to be eligible or to continue participation.

The Defined Contribution Retirement Plan (DCRP) is a multiple employer defined contribution plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the DCRP are as follows:

*Plan Membership and Contributing Employers*- Enrollment in the DCRP is required for state or local officials, elected or appointed on or after July 1, 2007; employees enrolled in PFRS or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PFRS or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000 annually; and employees otherwise eligible to enroll in PFRS or PERS after May 21, 2010, who do not work the minimum number of hours per week required for tier 4 or tier 5 enrollment, but who earn salary of at least \$5,000 annually. At June 30, 2018 and 2017, the membership in the DCRP, based on the information within the Division's database, was 57,893 and 56,044, respectively.

*Contribution Requirement and Benefit Provisions* - State and local government employers contribute 3% of the employee's base salary. Active members contribute 5.5% of base salary. Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC

CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2018 AND 2017

**8. PENSION PLANS (continued)**

Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non-forfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non-forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first. For the year ended December 31, 2018 and 2017, the City had thirteen employees enrolled in the DCRP.

**9. POST RETIREMENT BENEFITS OTHER THAN PENSIONS**

**City's OPEB Plan**

**General information about the OPEB Plan**

The City provides a single employer post-employment health benefits plan for 344 of its employees and 243 retirees through a single employer defined benefit healthcare plan. The City followed the accounting provisions of GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This statement established guidelines for reporting costs associated with "other postemployment benefits" (OPEB). OPEB costs are calculated based on plan benefits (other than pensions), that the retired employees and their spouses have accrued as a result of their respective years of employment service.

*Plan description and benefits provided* - The City's post-employment retirement healthcare benefit plan provides health benefits to all retired City employees and their spouses. The Plan is a comprehensive health benefits plan which pays for hospital services, doctor expenses and other medical related necessities which include prescription drugs, and mental health/substance abuse services, subject to provisions and limitations. The City administers the Plan through the Horizon Blue Cross Blue Shield of New Jersey and has the authority to establish and amend the benefits provisions offered. The Plan is not a separate entity or trust and does not issue stand alone financial statements.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS No. 75.

**Total OPEB Liability**

The City's total OPEB liability of \$176,857,867 was measured as of December 31, 2018, and was determined by an actuarial valuation as of that date. There were 243 Retiree and surviving spouses and 344 active employees as part of the plan.

*Actuarial assumptions and other imputes* - The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

|  |   |
|--|---|
| Inflation                                | 2.50%                                     |
| Salary increases                         | 2.50%                                     |
| Discount rate                            | 4.10%                                     |
| Healthcare cost trend rate               | Range from 5.8% to 10.0%                  |
| Retirees' share of benefit-related costs | Subject to the requirements of Chapter 78 |



CITY OF ORANGE TOWNSHIP  
 NOTES TO FINANCIAL STATEMENTS  
 YEAR ENDED DECEMBER 31, 2018 AND 2017

**9. POST RETIREMENT BENEFITS OTHER THAN PENSIONS (continued)**

The discount rate was based on the Bond Buyer 20-Bond Go Index.

Mortality rates were based on the RP-2000 Combined Healthy Male Mortality rates set forward three years.

The actuarial assumptions used in the December 31, 2018 valuation were based in the results of an actuarial experience study for the period January 1, 2018 - December 31, 2018.

Changes in the Total OPEB Liability

|   | Total OPEB Liability |
|---|----------------------|
| Balance at 12/31/2017                   | \$ 172,433,158       |
| Changes for the year:                   | 7,065,960.00         |
| Interest cost                           | 2,455,925            |
| Service cost                            |                      |
| Changes in assumptions or other inputs: |                      |
| Benefit payments                        | (5,097,176)          |
| Actuary changes                         |                      |
| Net changes                             |                      |
| Balance at 12/31/18                     | \$ 176,857,067       |

*Sensitivity of the total OPEB liability to changes in the discount rate* - The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

|                      | 1% Increase<br>(5.10%) | Discount Rates<br>(4.10%) | 1% Decrease<br>(3.10%) |
|----------------------|------------------------|---------------------------|------------------------|
| Total OPEB Liability | \$ 160,711,343         | \$ 176,857,867            | \$ 196,403,052         |

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates* - The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

|                      | 1% Increase    | Healthcare Cost<br>Trend Rates | 1% Decrease    |
|----------------------|----------------|--------------------------------|----------------|
| Total OPEB Liability | \$ 194,083,564 | \$ 176,857,867                 | \$ 162,582,371 |

**OPEB Expense**

For the year ended December 31, 2018, the City recognized OPEB expense of \$9,521,885.

**State of New Jersey's OPEB Plan**

*Nonspecial Funding Situation* - The State of New Jersey's Total OPEB Liability for nonspecial funding situation was \$9,452,773,649 and \$11,720,375,604 at June 30, 2018 and 2017, respectively.

CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2018 AND 2017

**9. POST RETIREMENT BENEFITS OTHER THAN PENSIONS (continued)**

*Components of Net OPEB Liability* - The components of the collective net OPEB liability for Local Government Retired Employees Plan, including the State of New Jersey, is as follows:

|  | <u>June 30, 2017</u>     | <u>June 30, 2018</u>     |
|--|--------------------------|--------------------------|
| Total OPEB Liability   | \$ 20,629,044,656        | \$ 15,981,103,227        |
| Plan Fiduciary Net Position  | <u>213,255,917</u>       | <u>314,485,086</u>       |
| Net OPEB Liability   | <u>\$ 20,415,788,739</u> | <u>\$ 15,666,618,141</u> |
| Plan Fiduciary Net Position as a Percentage<br>of the Total OPEB Liability | 1.03%                    | 1.97%                    |

*Actuarial Assumptions and Other Inputs* - The total OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. The total OPEB liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. These actuarial valuation used the following actuarial assumptions, applied to all periods (2017 and 2018) in the measurement:

|                    |               |
|--------------------|---------------|
| Inflation          | 2.50%         |
| Salary Increases*: |               |
| Through 2026       | 1.65% - 8.98% |
| Thereafter         | 2.65% - 9.98% |

\* Salary increases are based on the defined benefit plan that the member is enrolled in and his or her age.

Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

Certain actuarial assumptions used in the July 1, 2016 and July 1, 2017 valuations were based on the results of the pension plans' experience studies for which the members are eligible for coverage under this Plan – the Police and Firemen Retirement System (PFRS) and the Public Employees' Retirement System (PERS). The PFRS and PERS experience studies were prepared for the periods July 1, 2010 to June 30, 2013 and July 1, 2011 to June 30, 2014, respectively.

100% of active members are considered to participate in the Plan upon retirement.

*Healthcare Trend 2018 Assumptions* - For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.00% decreasing to a 5.0% long-term trend rate after seven years. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2018 AND 2017

9. POST RETIREMENT BENEFITS OTHER THAN PENSIONS (continued)

*Discount Rate* - The discount rate for June 30, 2018 and 2017 was 3.87% and 3.58%, respectively. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

*Sensitivity of the State's Net OPEB Liability to Changes in the Discount Rate* - The following presents the collective net OPEB liability of the participating employers as of June 30, 2018 and 2017, calculated using the discount rate as disclosed above as well as what the collective net OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage- point higher than the current rate:

|                                 | 1% Decrease       | At Discount Rate  | 1% Increase       |
|---------------------------------|-------------------|-------------------|-------------------|
| Total Net OPEB Liability - 2017 | \$ 24,081,031,440 | \$ 20,415,788,739 | \$ 17,507,480,418 |
| Total Net OPEB Liability - 2018 | 18,381,085,096    | 15,666,618,141    | 13,498,373,388    |

*Sensitivity of the State's Net OPEB Liability to Changes in the Healthcare Cost Trend Rates* - The following presents the net OPEB liability as of June 30, 2018 and 2017, respectively, calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

|                                 | 1% Decrease       | Healthcare Cost Trend Rate | 1% Increase       |
|---------------------------------|-------------------|----------------------------|-------------------|
| Total Net OPEB Liability - 2017 | \$ 16,966,116,709 | \$ 20,415,788,739          | \$ 24,907,661,428 |
| Total Net OPEB Liability - 2018 | 13,068,471,450    | 15,666,618,141             | 19,029,006,023    |

*Special Funding Situation* - The State of New Jersey's Total OPEB Liability for special funding situation was \$6,213,844,492 and \$8,695,413,135 at June 30, 2018 and 2017, respectively.

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation.

The amounts of the State's Non-employer OPEB Liability that are attributable to employees and retirees of the City of Orange Township was \$39,361,349 and \$52,794,114 at June 30, 2018 and 2017, respectively. These allocated liabilities represent 0.0633446% and 0.607149% of the State's Total Non-employer OPEB Liability for June 30, 2018 and 2017, respectively. The OPEB expense attributed to the City was \$1,191,514 and \$3,778,268 at June 30, 2018 and 2017, respectively.

CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2018 AND 2017

10. MUNICIPAL DEBT

The Local Bond Law governs the issuance of bonds and notes to finance general capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the City are general obligation bonds, backed by the full faith and credit of the City. Pursuant to N.J.S.A. 40A:2-8 bond anticipation notes, which are issued to temporarily finance capital projects, cannot be renewed past the third anniversary unless an amount equal to at least the first legal requirement is paid prior to each anniversary and must be paid off within ten years and five months or retired by the issuance of bonds.

Summary of Municipal Debt (Excluding Current and Operating Debt and Type 1 School Debt)

|                                  | <u>Calendar<br/>Year 2018</u> | <u>Calendar<br/>Year 2017</u> | <u>Calendar<br/>Year 2016</u> |
|----------------------------------|-------------------------------|-------------------------------|-------------------------------|
| <u>Bonds and Notes Issued</u>    |                               |                               |                               |
| General Capital:                 |                               |                               |                               |
| Bonds and Notes                  | \$ 8,845,000.00               | \$ 13,892,000.00              | \$ 9,693,779.00               |
| Loans                            | 992,842.33                    | 1,175,982.40                  | 1,429,041.30                  |
| Water and Sewer Utility:         |                               |                               |                               |
| Bonds and Notes                  | 18,960,000.00                 | 17,970,000.00                 | 19,210,000.00                 |
| Loans                            | <u>4,142,830.78</u>           | <u>4,521,592.01</u>           | <u>5,140,602.03</u>           |
| Total Issued                     | <u>\$ 32,940,673.11</u>       | <u>\$ 37,559,574.41</u>       | <u>\$ 35,473,422.33</u>       |
| <u>Authorized but Not Issued</u> |                               |                               |                               |
| General:                         |                               |                               |                               |
| Bonds and Notes                  | \$ 14,307,000.00              | \$ 2,019,246.00               | \$ 3,526,746.00               |
| Water and Sewer Utility:         |                               |                               |                               |
| Bonds and Notes                  | <u>19,527.00</u>              | <u>1,500,281.00</u>           | <u>1,500,281.00</u>           |
|                                  | <u>14,326,527.00</u>          | <u>3,519,527.00</u>           | <u>5,027,027.00</u>           |
| Total Debt                       | <u>\$ 47,267,200.11</u>       | <u>\$ 41,079,101.41</u>       | <u>\$ 40,500,449.33</u>       |

Summary of Statutory Debt Condition – Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.786 % at December 31, 2018.

|                              | <u>Gross Debt</u>       | <u>Deductions</u>       | <u>Net Debt</u>         |
|------------------------------|-------------------------|-------------------------|-------------------------|
| Water and Sewer Utility Debt | \$ 23,122,357.78        | \$ 23,122,357.78        | \$                      |
| Other Bonds and Notes        | <u>24,144,842.33</u>    | <u>4,225.00</u>         | <u>24,140,617.33</u>    |
| Total                        | <u>\$ 47,267,200.11</u> | <u>\$ 23,126,582.78</u> | <u>\$ 24,140,617.33</u> |

Net Debt, \$24,149,067.33 divided by Equalized Valuation Basis per N.J.S.A. 40:A2-2 as amended, \$1,507,788,512.00 equals 1.601%.

CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2018 AND 2017

**10. MUNICIPAL DEBT (continued)**

Borrowing Power Under N.J.S.A. 40A:2-6 as Amended

|   |                         |
|---|-------------------------|
| 3 1/2% of Equalized Valuation Basis (Municipal) | \$ 52,772,597.92        |
| Net Debt  | <u>24,140,617.33</u>    |
| Remaining Statutory Borrowing Power             | <u>\$ 28,631,980.59</u> |

School Debt Deductions

School debt is deductible up to the extent of 4.0% of the Average Equalized Assessed Valuations of real property for the Local School District and entirely for the Regional High School.

**Calculation of "Self-Liquidating Purposes" Water/Sewer Utility Per N.J.S.A. 40A:2-45**

|  |                        |
|--|------------------------|
| Surplus and Cash receipts from Fees, Rents or<br>Other Charges for Year and Fund Balance Anticipated | \$ 11,578,923.87       |
| Deductions:  |                        |
| Operating and Maintenance Cost   | \$ 7,204,587.49        |
| Debt Service per Water/Sewer Utility   | <u>2,650,351.85</u>    |
|  | <u>9,854,939.34</u>    |
| Excess   | <u>\$ 1,723,984.53</u> |

The foregoing debt information is not in agreement with the Annual Debt Statement as filed by the Chief Financial Officer and as such, a revised Annual Debt Statement should be filed with the Division.

As of December 31, 2018, the City's long-term debt is as follows:

| <u>General Obligation Bonds</u>   | <u>2018</u>             | <u>2017</u>             |
|---|-------------------------|-------------------------|
| \$3,655,000.00, 2007 Refunding Bonds, in an annual installment of \$355,000.00 through August 2019, interest at 3.90%                                   | \$ 355,000.00           | \$ 715,000.00           |
| \$9,433,000, 2017 General Improvement Bonds (QBA), in annual installments of \$940,000 to \$945,000 through December 2027, interest from 1.50% to 4.00% | <u>8,490,000.00</u>     | <u>9,433,000.00</u>     |
|   | <u>\$ 8,845,000.00</u>  | <u>\$ 10,148,000.00</u> |
| <br><u>Water Utility Bonds</u>  |                         |                         |
| \$30,000,000.00: 2003 Bonds due in annual installments of \$975,000.00 to \$2,360,000.00 through June 2027, interest at 4.00% to 5.00% *                | <u>\$ 16,660,000.00</u> | <u>\$ 17,970,000.00</u> |
| * Qualified Bond Act (P.L. 1976, c.38)  | <u>\$ 16,660,000.00</u> | <u>\$ 19,210,000.00</u> |

CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2018 AND 2017

10. MUNICIPAL DEBT (continued)

The City has entered into loan agreements with the State of New Jersey, Department of Environmental Protection, detailed as follows:

|  | <u>2018</u>          | <u>2017</u>          |
|--|----------------------|----------------------|
| <b><u>Military Commons</u></b>   |                      |                      |
| \$91,579.10 loan, due in semi-annual installments of \$5,008.22 to \$5,263.68 through October 2021, interest at 2% | \$ 30,046.16         | \$ 40,678.81         |
| <b><u>Ropes Playground</u></b>   |                      |                      |
| \$90,000.00 loan, due in semi-annual installments of \$2,903.23 through December 2028, no interest                 | 58,064.47            | 63,870.93            |
| <b><u>Multi-Parks Project</u></b>  |                      |                      |
| \$250,000.00 loan, due in semi-annual installments of \$6,410.26 through February 2028, no interest                | 121,794.60           | 134,615.12           |
| \$600,000.00 loan, due in semi-annual installments of \$15,384.62 through May 2033, no interest                    | <u>492,307.86</u>    | <u>523,077.10</u>    |
|  | <u>\$ 702,213.09</u> | <u>\$ 762,241.96</u> |

N.J Environmental Infrastructure Trust Loan Payable

Loan agreements were entered into by the City of Orange Township with the New Jersey Department of Environmental Protection for the purpose of improvements to the water and sewer, waste water and storm water systems detailed as follows:

|  | <u>Balance<br/>December 31, 2018</u> | <u>Balance<br/>December 31, 2017</u> |
|--|--------------------------------------|--------------------------------------|
| <b><u>General Debt</u></b>                 |                                      |                                      |
| Trust Fund                                 | \$ 56,966.96                         | \$ 111,966.96                        |
| Fund Share                                 | <u>38,662.28</u>                     | <u>74,273.48</u>                     |
|  | <u>\$ 95,629.24</u>                  | <u>\$ 186,240.44</u>                 |
| <b><u>Water and Sewer Utility Debt</u></b> |                                      |                                      |
| Trust Fund                                 | \$ 2,214,000.00                      | \$ 2,399,000.00                      |
| Fund Share                                 | <u>1,928,830.78</u>                  | <u>2,122,592.01</u>                  |
|  | <u>\$ 4,142,830.78</u>               | <u>\$ 4,521,592.01</u>               |

CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2018 AND 2017

10. MUNICIPAL DEBT (continued)

**Bond Anticipated Notes**

|  | <u>Balance</u><br><u>December 31, 2018</u> | <u>Balance</u><br><u>December 31, 2017</u> |
|--|--|--|
| General Capital Fund,<br>School Promissory Notes                   |  | \$ 3,744,000.00                            |
| Water and Sewer Capital Fund:<br>Improvement of Water/Sewer System | \$ 2,300,000.00                            |  |

**Bonds and Notes Anticipated but Not Issued**

|  | <u>Balance</u><br><u>December 31, 2018</u> | <u>Balance</u><br><u>December 31, 2017</u> |
|--|--|--|
| General Capital Fund:<br>General Improvements                      | \$ 14,307,000.00                           | \$ 2,019,246.00                            |
| Water and Sewer Capital Fund:<br>Improvement of Water/Sewer System | \$ 19,527.00                               | \$ 1,500,281.00                            |

Demolition Bond Loan 2012

The City entered into a loan agreement for \$325,000 in 2014. This ten year loan is being amortized at \$32,500.00 per year at 4.0% interest. The outstanding balance at December 31, 2018 is \$195,000.00

School Debt

The Board of Education of the City (the "BOE") is a Type I school district and the members of the BOE are appointed by the Mayor. A Board of School Estimate approves the school district tax levy after the final budget is determined by the BOE. The members of the Board of School Estimate include the Mayor, two members of the local school board and two members of the governing body. School debt, authorized by the Board of School Estimate, is obligation of the City and school debt service is raised as part of the school tax levy. School debt is reported on the balance sheet of the General Capital Fund and is detailed as follows:

|   | <u>2018</u> | <u>2017</u>            |
|---|-------------|------------------------|
| <b><u>Type I School Promissory Notes</u></b>            |             |                        |
| School Improvements, due on 12/7/2018 at 2.5 % interest | \$          | \$ 2,550,000.00        |
| School Improvements, due on 12/7/2018 at 2.5 % interest |             | 1,194,000.00           |
|   | <u>\$ -</u> | <u>\$ 3,744,000.00</u> |

Notes were liquidated during 2018 through a bond sale at the Board of Education.

CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2018 AND 2017

10. MUNICIPAL DEBT (continued)

| Fiscal Year | Total General Debt      | General Debt           |                        |                      |                    |  |                    |                      |                     |
|-------------|-------------------------|------------------------|------------------------|----------------------|--------------------|--|--------------------|----------------------|---------------------|
|             |                         | General                |                        | Green Trust Loan     |                    | New Jersey Environmental Infrastructure Trust Loan |                    | Demolition Loan      |                     |
|             |                         | Principal              | Interest               | Principal            | Interest           | Principal  | Interest           | Principal            | Interest            |
| 2019        | \$ 1,766,612.75         | \$ 1,300,000.00        | \$ 267,545.00          | \$ 59,462.74         | \$ 566.13          | \$ 95,629.24                                       | \$ 3,109.64        | \$ 32,500.00         | \$ 7,800.00         |
| 2020        | 1,378,553.87            | 940,000.00             | 339,525.00             | 59,665.09            | 363.78             |  |                    | 32,500.00            | 6,500.00            |
| 2021        | 1,367,978.87            | 940,000.00             | 330,250.00             | 59,871.47            | 157.40             |  |                    | 32,500.00            | 5,200.00            |
| 2022        | 1,483,996.22            | 945,000.00             | 453,200.00             | 49,396.22            |                    |  |                    | 32,500.00            | 3,900.00            |
| 2023        | 1,408,396.22            | 945,000.00             | 377,600.00             | 49,396.22            |                    |  |                    | 32,500.00            | 3,900.00            |
| 2024-2028   | 4,786,806.02            | 3,775,000.00           | 735,600.00             | 239,806.02           |                    |  |                    | 32,500.00            | 3,900.00            |
| 2029-2033   | 153,846.20              |                        |                        | 153,846.20           |                    |  |                    |                      |                     |
| 2034-2036   | 30,769.13               |                        |                        | 30,769.13            |                    |  |                    |                      |                     |
|             | <u>\$ 12,376,959.28</u> | <u>\$ 8,845,000.00</u> | <u>\$ 2,503,720.00</u> | <u>\$ 702,213.09</u> | <u>\$ 1,087.31</u> | <u>\$ 95,629.24</u>                                | <u>\$ 3,109.64</u> | <u>\$ 195,000.00</u> | <u>\$ 31,200.00</u> |

\*\* The Multi-Parks Project Loan from Green Acres is interest free.

**Schedule of Annual Debt Service for Principal and Interest for Water and Sewer Utility Debt**

| Fiscal Year | Total Water and Sewer Utility | Bonds                   |                        | New Jersey Environmental Infrastructure Trust Loan |                      |
|-------------|-------------------------------|-------------------------|------------------------|--|----------------------|
|             |                               | Principal               | Interest               | Principal  | Interest             |
| 2019        | \$ 2,280,541.96               | \$ 1,390,000.00         | \$ 411,500.00          | \$ 372,211.96                                      | \$ 106,830.00        |
| 2020        | 2,288,999.23                  | 1,470,000.00            | 340,000.00             | 381,069.23   | 97,930.00            |
| 2021        | 2,301,132.99                  | 1,560,000.00            | 264,250.00             | 388,302.99   | 88,580.00            |
| 2022        | 2,312,911.21                  | 1,655,000.00            | 183,875.00             | 395,206.21   | 78,830.00            |
| 2023        | 2,327,213.77                  | 1,750,000.00            | 98,750.00              | 409,783.77   | 68,680.00            |
| 2024-2028   | <u>11,607,456.00</u>          | <u>8,835,000.00</u>     | <u>400,899.38</u>      | <u>2,196,256.62</u>                                | <u>175,300.00</u>    |
|             | <u>\$ 23,118,255.16</u>       | <u>\$ 16,660,000.00</u> | <u>\$ 1,699,274.38</u> | <u>\$ 4,142,830.78</u>                             | <u>\$ 616,150.00</u> |

The interest reflected above is on the cash basis for all funds.



CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2018 AND 2017

**11. INTERFUND RECEIVABLES AND PAYABLES**

As of December 31, 2018, interfund receivables and payables that resulted from various interfund transactions were as follows:

|                            | <u>Due From</u>        | <u>Due To</u>          |
|----------------------------|------------------------|------------------------|
| Current Fund:              |                        |                        |
| Grant Fund                 | \$ 629,605.38          |                        |
| General Trust              | 37,980.62              |                        |
| Grant Trust Fund - CDBG    |                        | \$ 28.58               |
| Grant Trust Fund - Housing | 47.18                  |                        |
| Water/Sewer Operating      |                        | 27.90                  |
| Municipal Insurance Fund   | 26.87                  |                        |
| Payroll Fund               |                        | 106,884.92             |
| Grant:                     |                        |                        |
| Current Fund               |                        | 629,605.38             |
| Trust Fund:                |                        |                        |
| Current Fund               |                        | 37,980.62              |
| CDBG                       | 300,000.00             |                        |
| Water Utility Operating    |                        | 2,389.81               |
| Payroll Fund               | 106,884.92             |                        |
| Municipal Insurance Fund   |                        | 26.87                  |
| Grant Trust Fund:          |                        |                        |
| Current Fund               |                        | 18.60                  |
| Trust Other                |                        | 300,000.00             |
| General Capital Fund       |                        |                        |
| Water/Sewer Operating      |                        | 833,786.40             |
| Water/Sewer Capital        |                        | 919,712.86             |
| Water/Sewer Operating:     |                        |                        |
| Current Fund               | 27.90                  |                        |
| General Trust              | 2,389.81               |                        |
| General Capital            | 833,786.40             |                        |
| Water/Sewer Capital        |                        |                        |
| General Capital            | 919,712.86             |                        |
|                            | <u>\$ 2,830,461.94</u> | <u>\$ 2,830,461.94</u> |

CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2018 AND 2017

**12. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2018 and 2017, the following deferred charges are shown on the balance sheets of the Current and Utility Funds.

|  | Balance<br>December 31,<br>2018 | Amount<br>Raised in<br>2019 Budget |
|--|---------------------------------|------------------------------------|
| <b><u>2018 Current Fund</u></b>          |                                 |                                    |
| Overexpenditure of Budget Appropriations | \$ 86,367.67                    | \$ 86,367.67                       |
| Emergency Authorization                  | 1,000,000.00                    | 1,000,000.00                       |
| Special Emergency Authorization          | 600,000.00                      | 200,000.00                         |
|  | <u>\$ 1,686,367.67</u>          | <u>\$ 1,286,367.67</u>             |

|  | Balance<br>December 31,<br>2017 | Amount<br>Raised in<br>2018 Budget |
|--|---------------------------------|------------------------------------|
| <b><u>2017 Current Fund:</u></b>         |                                 |                                    |
| Overexpenditure of Budget Appropriations | \$ 9,793.89                     | \$ 9,793.89                        |
| Emergency Authorization                  | 1,820,000.00                    | 1,820,000.00                       |
| Special Emergency Appropriations         | 800,000.00                      | 200,000.00                         |
| Special Emergency - Revaluation          | 103,820.00                      | 103,820.00                         |
|  | <u>\$ 2,733,613.89</u>          | <u>\$ 2,133,613.89</u>             |

|  | Balance<br>December 31,<br>2018 | Amount<br>Raised in<br>2019 Budget |
|--|---------------------------------|------------------------------------|
| <b><u>2018 Water and Sewer Utility Fund:</u></b> |                                 |                                    |
| Special Emergency Appropriations                 | \$ 999,297.08                   | \$ 430,000.00                      |
| Overexpenditure of Budget Appropriations         | 656.04                          | 656.04                             |
| Emergency Appropriations                         | 102,801.74                      | 102,801.74                         |
|  | <u>\$ 1,102,754.86</u>          | <u>\$ 533,457.78</u>               |

|  | Balance<br>December 31,<br>2017 | Amount<br>Raised in<br>2018 Budget |
|--|---------------------------------|------------------------------------|
| <b><u>2017 Water and Sewer Utility Fund:</u></b> |                                 |                                    |
| Special Emergency Appropriations                 | \$ 1,429,297.08                 | \$ 430,000.00                      |
| Emergency Appropriations                         | 500,000.00                      | 500,000.00                         |
|  | <u>\$ 1,929,297.08</u>          | <u>\$ 930,000.00</u>               |

CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2018 AND 2017

**13. RISK MANAGEMENT**

The City is self-insured with respect to workers' compensation and general liability. A description of these funds is detailed as follows:

Claims for workers' compensation are funded on a cash basis through budget appropriations. There is no reserve established at December 31, 2018 and 2017 for possible catastrophic claims.

Processing and payment of workers' compensation claims are administered by Inservco Insurance Services.

General Liability:

A Municipal Insurance Fund Commission was established by Ordinance #14-87 adopted on February 17, 1987. The fund is to be used for the following purposes:

1. To self-insure against loss or damage caused to any property, motor vehicles, equipment or apparatus owned by the City or owned by or under the control of any City department, board, agency, or commission, where no insurance coverage is in effect.
2. To self-insure against liability resulting from the use or operation of motor vehicles, equipment or apparatus owned by or controlled by the City or any City department, board, agency, or commission, where no insurance coverage is in effect.
3. To self-insure against liability for the City's negligence or that of its officers, employees and servants, whether full or part-time, who are acting within the scope of their authority - but not including an independent contractor - within the limitations of the New Jersey Tort Claims Act, where no insurance coverage is in effect (N.J.S.A. 59:1-1 et seq.).

There has been no provisions included in the financial statements for claims incurred but not reported as of December 31, 2018 and 2017.

A summary of activity for these funds is detailed as follows:

|                   | Balance,<br>December 31,<br>2017 | Increase            | Decrease         | Balance,<br>December 31,<br>2018 |
|-------------------|----------------------------------|---------------------|------------------|----------------------------------|
| General Liability | <u>\$ 154,676.92</u>             | <u>\$ 60,218.52</u> | <u>\$ 343.52</u> | <u>\$ 214,551.92</u>             |
|                   | Balance,<br>December 31,<br>2016 | Increase            | Decrease         | Balance,<br>December 31,<br>2017 |
| General Liability | <u>\$ 152,893.47</u>             | <u>\$ 1,783.45</u>  | <u>\$ -</u>      | <u>\$ 154,676.92</u>             |

CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2018 AND 2017

**14. TAX ABATEMENTS**

Government Accounting Statement No. 77, Tax Abatement Disclosures became effective for financial statements for periods beginning after December 15, 2015. This statement establishes financial reporting standards for tax abatement agreements entered into by state and local governments. The disclosures required by this Statement encompass tax abatements resulting from both (a) agreements that are entered by the reporting government and (b) agreements that are entered into by other governments that reduce the reporting governments' tax revenues. The following are the existing tax abatement agreements for the City of Orange Township:

| Entity Name                            | Pilot<br>Billing    | Taxes If Billed<br>In Full |
|--|---------------------|----------------------------|
| Transport of N.J.                      | \$ 107,019          | \$ 13,765                  |
| Our Lady of Mt. Carmel Senior Citizens | 144,530             | 528,068                    |
| South Essex Urban Renewal              | 60,450              | 600,979                    |
| Oakwood Towers                         | 229,192             | 1,007,570                  |
| Salem Towers                           | 159,364             | 739,135                    |
| Orange Park Apartments                 | 146,920             | 613,725                    |
| The Berkely                            | 26,390              | 180,440                    |
| Lincoln Court                          | 135,538             | 325,897                    |
| Project Live Inc.                      | 4,209               | 12,264                     |
| New Community Corporation              | 64,537              | 461,417                    |
| 307 Washington Street                  | 34,416              | 408,076                    |
| Central Orange Village II              | 25,834              | 67,389                     |
| Grand Central Senior Housing           | 28,872              | 420,094                    |
| Walter G Alexander Phase I             | 42,393              | 162,041                    |
| Walter G Alexander Phase II            | 31,333              | 171,120                    |
| Tony Galento Plaza                     | 247,370             | 1,365,548                  |
| L&M Development Partners               | <u>146,156</u>      | <u>367,512</u>             |
| Total                                  | <u>\$ 1,634,523</u> | <u>\$ 7,445,040</u>        |

**15. CONTINGENT LIABILITIES**

The City permits its employees to accumulate unused vacation, sick and other days, which may be taken as compensatory time off or paid at a later date. The City's policy is summarized as follows:

Vacation

All accumulated vacation days up to 2 years and all unused vacation days normally granted the employee for the calendar year shall be paid.

Sick Time

Employees receive payment for an accumulated sick time up to 120 days and 20% of accumulated time thereafter.

CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2018 AND 2017

**15. CONTINGENT LIABILITIES (continued)**

Compensatory Time

Any time owed to the employee, including accrued overtime, shall be paid.

Personal Days

Unused personal days are granted on a pro-rated basis in the year of retirement.

City employees who resign or are terminated are entitled to the same vacation days benefits as a retired employee.

It is estimated that the sum following is due and payable to employees and officials of the City as of December 31, 2018 and December 31, 2017 upon their retirements or other separations. These amounts were not verified by audit.

|      |               |
|------|---------------|
| 2018 | Not Available |
| 2017 | Not Available |

Benefits paid in any future years will be charged to that year's budget.

Provisions for the above are not reflected in the financial statements of the City.

Tax Appeals

As of December 31, 2018, there were tax appeals pending before the New Jersey Tax Court. Amounts of tax claims being contested were undeterminable. In 2018 the City had \$353,375.35 in state tax court judgments. There was no reserve or appropriation line item to charge these amounts against.

Judgments favorable to the taxpayers generally extend to two years following the year judged and would also subject the City to a liability for statutory interest based upon the amount of taxes refunded from the date of payment to the date of refund (RS. 54:3~ 27.2).

Federal and State Awards

The City participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate granting agency. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the granting agency.

Litigation

In house counsel addressed 56 separate litigations with the City; 36 are pending, 13 have been settled and 7 were dismissed. Of the preceding 56 actions, 23 pertained to workmen's compensation claims. \$1,150,475 of claims have been settled; there are outstanding claims estimated to be \$1,839,893 still unsettled. Of these amounts Workmen's Compensation settlements were \$70,109 and \$1,067,910 remain to be settled. Workmen's Compensation claims are covered by the Joint Insurance Fund.

Investigation

In February 2017, the Federal Bureau of Investigation (Bureau) seized certain financial records of the City. At the issuance date of this audit report, no other information has been made available by the Bureau to the City.

CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2018 AND 2017

**16. GROUND LEASE**

The City entered into a ground lease with Station Partners Urban Renewal L.P. on May 27, 2014 for the Tony Galento Plaza Transit Village Development. The lease is for sixty-five years and the fixed net rent is for a period of thirty years. Total fixed net rent is to be \$878,254; interest for any amount of fixed net rent that is outstanding during the term of the lease shall accrue at a rate of 1% per annum compounded annually. Fixed rent will be paid in annual installments in an amount equal to Distributed Cash Flow (50% of Net Profit) shared on an equal basis with other government funding sources due on or before July 1 of each year of the term until such time as the Fixed Net rent, along with interest is paid in full. The balance of the lease receivable as December 31, 2018 and 2017 was \$913,939 and \$904,890, respectively.

**17. LOANS RECEIVABLE**

The City has made loans to developers for two urban renewal projects as follows:

Station Partners Urban Renewal (Tony Galento Transit Village) for \$531,789 due on October 22, 2044 at 1% interest.

307 Washington Urban Renewal for \$364,000.00 due on 8/31/2053 at 0% interest.

**18. FIXED ASSETS**

**General Fixed Assets**

The following is a summary of changes in the General Fixed Assets account group as of December 31, 2018:

|                         | Balance,<br>December 31,<br>2017 | Additions         | Reductions        | Balance,<br>December 31,<br>2018 |
|-------------------------|----------------------------------|-------------------|-------------------|----------------------------------|
| Land                    | \$ 15,040,400                    | \$ -              | \$ -              | \$ 15,040,400                    |
| Land Improvements       | 14,176,800                       |                   |                   | 14,176,800                       |
| Machinery and Equipment | 11,721,108                       | 191,545           | 763,285           | 11,149,368                       |
|                         | <u>\$ 40,938,308</u>             | <u>\$ 191,545</u> | <u>\$ 763,285</u> | <u>\$ 40,366,568</u>             |

The Township did not calculate fixed assets circa 2013. Fixed assets were rolled forward from 2013 to 2017; a second calculation was performed for the year 2018.

**19. SUBSEQUENT EVENTS**

The City has evaluated subsequent events occurring after December 31, 2018 through August 5, 2019, which is the date the financial statements were available to be issued. Based on this evaluation, management has determined that the following events require disclosure:

On May 21, 2019, the City adopted a resolution, requesting the Local Finance Board approval to adopt a refunding bond ordinance appropriating \$1,565,000 and authorizing \$1,565,000 of refunding bonds or notes to finance emergency temporary appropriations pursuant to the Local Bond Law in connection with costs arising from certain legal settlements.

**CITY OF ORANGE TOWNSHIP  
ESSEX COUNTY, NEW JERSEY**

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**PART II**

**SUPPLEMENTARY SCHEDULES  
YEAR ENDED DECEMBER 31, 2018**

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

A-4

CASH RECEIPTS AND DISBURSEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

|  | <u>Ref.</u> | <u>Regular Fund</u>     |
|--|-------------|-------------------------|
| Balance, December 31, 2017                           | A           | <u>\$ 13,303,893.24</u> |
| Increased by Receipts:                               |             |                         |
| Transfers from Tax Collector                         | A-6         | 82,690,419.96           |
| Due from State of New Jersey per Ch.129<br>P.L. 1976 | A-9         | 49,539.51               |
| Special Emergency Notes                              | A-28        | 1,100,000.00            |
| Interfunds Receivable                                | A-18        | <u>9,657,012.80</u>     |
|  |             | <u>93,496,972.27</u>    |
|  |             | <u>106,800,865.51</u>   |
| Decreased by Disbursements:                          |             |                         |
| Budget Appropriations                                | A-3a        | 58,290,246.19           |
| Interfunds Receivable                                | A-18        | 11,254,706.36           |
| Appropriation Reserves                               | A-22        | 2,656,307.89            |
| Refund of Prior Year Revenue                         | A-1         | 445,399.61              |
| Salary Adjustments                                   | A-30        | 252,786.11              |
| Tax Overpayments                                     | A-25        | 1,913.60                |
| Due to State of New Jersey                           | A-27        | -                       |
| Accounts Payable                                     | A-23        | 25,706.16               |
| Refundable Deposits                                  | A-39        | 456,122.34              |
| Special Emergency Notes                              | A-28        | 2,620,000.00            |
| County Taxes   | A-32        | 7,887,148.20            |
| Local School District Tax                            | A-33        | <u>12,281,308.00</u>    |
|  |             | <u>96,171,644.46</u>    |
| Balance, December 31, 2018                           | A, A-5      | <u>\$ 10,629,221.05</u> |



CITY OF ORANGE TOWNSHIP  
CURRENT FUND

A-5

BANK RECONCILIATION  
FOR THE YEAR ENDED DECEMBER 31, 2018

|  |                         |
|--|-------------------------|
| Bank Reconciliation, December 31, 2018 |                         |
| Balance per Bank Statements:           | \$ 13,303,893.24        |
| <br>                                   |                         |
| Add: Deposits in Transit               | <u>343,044.71</u>       |
|  | 13,646,937.95           |
| <br>                                   |                         |
| Less: Outstanding Checks               | <u>3,017,788.90</u>     |
|  | <u>\$ 10,629,149.05</u> |
| <br>                                   |                         |
| <u>Ref.</u>                            | A, A-4                  |

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

A-6

CASH RECEIPTS AND DISBURSEMENTS - COLLECTOR  
FOR THE YEAR ENDED DECEMBER 31, 2018

|                                       | <u>Ref.</u> |                   |                                |
|---------------------------------------|-------------|-------------------|--------------------------------|
| Increased by:                         |             |                   |                                |
| Miscellaneous Revenue Not Anticipated | A-2d        | \$ 556,867.61     |                                |
| Tax Overpayments                      | A-25        | 245,662.03        |                                |
| Taxes Receivable                      | A-10        | 66,512,080.79     |                                |
| Tax Title Liens                       | A-11        | 413,237.40        |                                |
| Deposit on Sale of Property           | A-35        | 2,300.00          |                                |
| Other Accounts Receivable             | A-16        | 600.00            |                                |
| Revenue Accounts Receivable           | A-15        | 14,390,181.62     |                                |
| Due to State of N.J                   | A-27        | -                 |                                |
| Refundable Deposits                   | A-39        | 302,245.22        |                                |
| Prepaid Taxes                         | A-34        | <u>267,245.29</u> |                                |
|                                       |             |                   | <u>\$ 82,690,419.96</u>        |
| Decreased by:                         |             |                   |                                |
| Turnovers to Treasurer                | A-4         |                   | <u><u>\$ 82,690,419.96</u></u> |

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

CHANGE FUNDS  
DECEMBER 31, 2018

A-7

|                   |    |        |
|-------------------|----|--------|
| Tax Office        | \$ | 150.00 |
| Municipal Court   |    | 400.00 |
| Police Department |    | 10.00  |
|                   |    | 10.00  |
|                   | \$ | 560.00 |

Ref.

A

PETTY CASH FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2018

A-8

|                                      | <u>Funds<br/>Established</u> | <u>Funds<br/>Returned</u> |
|--------------------------------------|------------------------------|---------------------------|
| Public Works Department              | \$ 200.00                    | \$ 200.00                 |
| Planning and Development             | 200.00                       | 200.00                    |
| Police Department                    | 200.00                       | 200.00                    |
| Clerk's Office                       | 200.00                       | 200.00                    |
| Mayor's Office                       | 200.00                       | 200.00                    |
| Administration of Community Services | 200.00                       | 200.00                    |
|                                      | \$ 1,200.00                  | \$ 1,200.00               |

Ref.

Contra

Contra

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

A-9

DUE FROM STATE OF NEW JERSEY  
PER CHAPTER 129 P.L. 1976  
FOR THE YEAR ENDED DECEMBER 31, 2018

|                             | <u>Ref.</u> |              |               |
|-----------------------------|-------------|--------------|---------------|
| Balance, December 31, 2017  | A           |              | \$ 104,276.25 |
| Increased by:               |             |              |               |
| Deductions per Tax Billings |             |              |               |
| Senior Citizens             |             | \$ 29,000.00 |               |
| Veterans                    |             | 31,750.00    |               |
| Allowed by Tax Collector:   |             |              |               |
| Veterans                    |             | 1,250.00     |               |
|                             |             | 1,250.00     |               |
|                             | A-10        |              | 62,000.00     |
|                             |             |              | 166,276.25    |
| Decreased by:               |             |              |               |
| Collections                 |             |              |               |
| A-4                         |             | 49,539.51    |               |
|                             |             | 49,539.51    |               |
| Balance, December 31, 2018  | A           |              | \$ 116,736.74 |

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

A-10

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY  
FOR THE YEAR ENDED DECEMBER 31, 2018

| Year        | Balance,               | Levy/Added              | Collected            |                         | Overpayments<br>Applied | Seniors<br>Veterans | Tax Title            | Canceled             | Balance,               |
|-------------|------------------------|-------------------------|----------------------|-------------------------|-------------------------|---------------------|----------------------|----------------------|------------------------|
|             | December 31, 2017      |                         | 2017                 | 2018                    |                         |                     | Liens                |                      | December 31, 2018      |
| Prior       | \$ (16,754.55)         |                         |                      |                         |                         |                     |                      | \$ 22,252.79         | \$ 5,498.24            |
| 2015        | 67,073.01              |                         |                      | \$ 7,004.98             |                         |                     |                      | 36,313.24            | 23,754.79              |
| 2016        | 210,146.90             | \$ 98,244.45            |                      | 123,569.57              |                         |                     |                      |                      | 184,821.78             |
| 2017        | <u>3,428,316.67</u>    | <u>295,512.62</u>       |                      | <u>3,291,019.56</u>     |                         |                     | \$ 198,510.94        |                      | <u>234,298.79</u>      |
|             | 3,688,782.03           | 393,757.07              |                      | 3,421,594.11            |                         |                     | 198,510.94           | 58,566.03            | 448,373.60             |
| 2018        |                        | 67,917,462.14           | \$ 835,770.23        | 63,090,486.68           | \$ 82,903.14            | \$ 62,000.00        | 746,475.23           | 205,531.42           | 2,894,295.44           |
|             | <u>\$ 3,688,782.03</u> | <u>\$ 68,311,219.21</u> | <u>\$ 835,770.23</u> | <u>\$ 66,512,080.79</u> | <u>\$ 82,903.14</u>     | <u>\$ 62,000.00</u> | <u>\$ 944,986.17</u> | <u>\$ 264,097.45</u> | <u>\$ 3,342,669.04</u> |
| <u>Ref.</u> | A                      | Below                   | A-2c, A-34           | A-2c, A-6               | A-2c-A-25               | A-2c, A-9           | A-11                 | Reserve              | A                      |

ANALYSIS OF 2017 PROPERTY TAX LEVY:

|                      |                   |                         |
|----------------------|-------------------|-------------------------|
| Tax Yield:           |                   |                         |
| General Property Tax | \$ 67,521,491.37  |                         |
| Added Taxes          | <u>395,970.77</u> |                         |
| Above                |                   | <u>\$ 67,917,462.14</u> |

|                                      |                       |                         |
|--------------------------------------|-----------------------|-------------------------|
| Tax Levy:                            |                       |                         |
| Local School Tax in Municipal Budget | A-33 \$ 12,281,308.00 |                         |
| County Tax                           | A-32 7,864,170.19     |                         |
| County for Added Taxes               | A-32 <u>37,461.32</u> |                         |
|                                      |                       | 20,182,939.51           |
| Local Tax for Municipal Purposes     | A-2 47,365,575.82     |                         |
| Added /Omitted Taxes                 | <u>368,946.81</u>     | <u>47,734,522.63</u>    |
| Above                                |                       | <u>\$ 67,917,462.14</u> |

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

A-11

TAX TITLE LIENS  
FOR THE YEAR ENDED DECEMBER 31, 2018

|                                | <u>Ref.</u> |                   |                               |
|--------------------------------|-------------|-------------------|-------------------------------|
| Balance, December 31, 2017     | A           |                   | \$ 2,794,819.70               |
| Increased by:                  |             |                   |                               |
| Interest and Costs             | Reserve     | \$ 78,539.07      |                               |
| Transfer from Taxes Receivable | A-10        | <u>944,986.17</u> |                               |
|                                |             |                   | <u>1,023,525.24</u>           |
|                                |             |                   | 3,818,344.94                  |
| Decreased by:                  |             |                   |                               |
| Collections                    | A-6, A-2c   | <u>413,237.40</u> |                               |
|                                |             |                   | <u>413,237.40</u>             |
| Balance, December 31, 2018     | A           |                   | <u><u>\$ 3,405,107.54</u></u> |

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES  
DECEMBER 31, 2018

A-12

|                                     | <u>Ref.</u> |  |                             |
|-------------------------------------|-------------|--|-----------------------------|
| Balance, December 31, 2018 and 2017 | A           |  | <u><u>\$ 856,500.00</u></u> |

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

A-13

SALES CONTRACT RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2018

|                                     | <u>Ref.</u>  |            |                     |  |
|-------------------------------------|--------------|------------|---------------------|--|
| Balance, December 31, 2017 and 2018 | A            |            | <u>\$ 80,601.00</u> |  |
| <br><u>Analysis of Balance</u>      |              |            |                     |  |
|                                     | <u>Block</u> | <u>Lot</u> |                     |  |
|                                     | 29           | A          | \$ 4,001.00         |  |
|                                     | 51           | A          | 1,000.00            |  |
|                                     | 101          | A          | 10,600.00           |  |
|                                     | 101          | A          | 3,000.00            |  |
|                                     | 111          | A          | 1,000.00            |  |
|                                     | 112          | A          | 1,000.00            |  |
|                                     | 114          | 26         | 60,000.00           |  |
|                                     |              |            | <u>\$ 80,601.00</u> |  |

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

A-14

SCHEDULE OF LOANS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2018

|  |         |                      |
|--|---------|----------------------|
| Balance, December 31, 2017                                       | A       | \$ 882,775.00        |
| Increased by:  |         |                      |
| Accrued Interest   | Reserve | <u>13,014.12</u>     |
| Balance, December 31, 2018                                       | A       | <u>\$ 895,789.12</u> |
| Detail:  |         |                      |
| Station Partners Urban Renewal<br>(Tony Galento Transit Village) |         | \$ 531,789.12        |
| 307 Washington Urban Renewal                                     |         | <u>364,000.00</u>    |
|  |         | <u>\$ 895,789.12</u> |



CITY OF ORANGE TOWNSHIP  
CURRENT FUND

A-15

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2018

|  | <u>Ref.</u> | <u>Balance,</u><br><u>December 31, 2017</u> | <u>Accrued</u><br><u>2018</u> | <u>Collected</u><br><u>by</u><br><u>Treasurer</u> | <u>Balance,</u><br><u>December 31, 2018</u> |
|--|-------------|---|-------------------------------|---|---|
| Licenses:                                  |             |   |                               |   |   |
| Alcoholic Beverages                        | A-2a        |   | \$ 54,655.00                  | \$ 54,655.00                                      |   |
| Other                                      | A-2a        |   | 42,436.00                     | 42,436.00   |   |
| Fees and Permits:                          |             |   |                               |   |   |
| Uniform Construction Code Fees             | A-2a        |   | 630,000.00                    | 630,000.00  |   |
| Other                                      | A-2a        |   | 521,893.38                    | 521,893.38  |   |
| Fines and Costs - Municipal Court          | A-2a        | \$ 113,448.11                               | 1,695,679.44                  | 1,634,442.27                                      | \$ 174,685.28                               |
| Interest and Costs on Taxes                | A-2a        |   | 1,040,489.23                  | 1,040,489.23                                      |   |
| Parking Meters                             | A-2a        |   | 297,606.74                    | 297,606.74  |   |
| Interest on Investments                    | A-2a        |   | 48,732.83                     | 48,732.83   |   |
| Payments in Lieu of Taxes:                 |             |   |                               |   |   |
| Transport of New Jersey                    | A-2a        |   | 107,019.00                    | 107,019.00  |   |
| Our Lady of Mt. Carmel Senior Citizens     | A-2a        |   | 144,529.74                    | 144,529.74  |   |
| South Essex Urban Renewal                  | A-2a        |   | 60,449.99                     | 60,449.99   |   |
| Oakwood Towers                             | A-2a        |   | 229,192.47                    | 229,192.47  |   |
| Salem Towers - High Street Associates      | A-2a        |   | 159,363.50                    | 159,363.50  |   |
| Orange Park Apartments Associates, Ltd.    | A-2a        |   | 146,919.85                    | 146,919.85  |   |
| Tony Galento                               | A-2a        |   | 247,369.68                    | 247,369.68  |   |
| The Berkeley                               | A-2a        |   | 26,390.50                     | 26,390.50   |   |
| Lincoln Court                              | A-2a        |   | 135,538.00                    | 135,538.00  |   |
| Project Live, Inc.                         | A-2a        |   | 4,208.55                      | 4,208.55  |   |
| New Community Corporation                  | A-2a        |   | 64,536.90                     | 64,536.90   |   |
| 307 Washington Street                      | A-2a        |   | 34,415.92                     | 34,415.92   |   |
| Central Village II                         | A-2a        |   | 25,833.63                     | 25,833.63   |   |
| Grand Central Senior Housing               | A-2a        |   | 28,872.00                     | 28,872.00   |   |
| Walter G Phase I                           | A-2a        |   | 42,392.90                     | 42,392.90   |   |
| Walter G Phase II                          | A-2a        |   | 31,333.43                     | 31,333.43   |   |
| L&M Development Partners                   | A-2a        |   | 146,156.56                    | 146,156.56  |   |
| Franchise Fee from Cable TV Gross Revenue  | A-2a        |   | 238,666.53                    | 238,666.53  |   |
| Energy Receipts Tax                        | A-2a        |   | 6,096,154.52                  | 6,096,154.52                                      |   |
| Consolidated Municipal Property Tax Relief | A-2a        |   | 2,095,452.50                  | 2,095,452.50                                      |   |
|  |             | <u>\$ 113,448.11</u>                        | <u>\$ 14,451,418.79</u>       | <u>\$ 14,390,181.62</u>                           | <u>\$ 174,685.28</u>                        |
|  | <u>Ref.</u> | A   |                               | A-6   | A   |

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

A-16

OTHER ACCOUNTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2018

|                            | <u>Ref.</u> | <u>Total</u>        | <u>Property<br/>Maintenance</u> | <u>Bankruptcy<br/>Special Charges</u> |
|----------------------------|-------------|---------------------|---------------------------------|---------------------------------------|
| Balance, December 31, 2017 | A           | \$                  | \$                              | \$                                    |
| Increased by :             |             |                     |                                 |                                       |
| Billings                   | Reserve     | 51,655.28           | 27,247.04                       | 24,408.24                             |
| Decreased by:              |             |                     |                                 |                                       |
| Cash Received              | A-1, A-6    | 600.00              | 600.00                          |                                       |
| Balance, December 31, 2018 | A           | <u>\$ 51,055.28</u> | <u>\$ 26,647.04</u>             | <u>\$ 24,408.24</u>                   |

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

A-17

DEPOSITS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2018

|                                     | <u>Ref.</u> | <u>Total</u>       | <u>County<br/>Register<br/>Mortgages</u> | <u>Superior<br/>Court of<br/>New Jersey</u> |
|-------------------------------------|-------------|--------------------|--|---|
| Balance, December 31, 2018 and 2017 | A           | <u>\$ 1,465.05</u> | <u>\$ 1,218.55</u>                       | <u>\$ 246.50</u>                            |

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

A-18

INTERFUNDS RECEIVABLE (PAYABLE)  
FOR THE YEAR ENDED DECEMBER 31, 2018

|                                      | <u>Ref.</u> | <u>Total</u>                                | <u>Federal and<br/>State Grant<br/>Fund</u> | <u>Balanced<br/>Housing</u> | <u>Trust Funds</u>     | <u>Municipal<br/>Insurance<br/>Fund</u> | <u>Grant<br/>Trust Fund</u> | <u>General<br/>Capital<br/>Fund</u> | <u>Water<br/>Operating<br/>Fund</u> | <u>Payroll<br/>Fund</u> |
|--------------------------------------|-------------|---|---|-----------------------------|------------------------|---|-----------------------------|-------------------------------------|-------------------------------------|-------------------------|
| Balance, December 31, 2017           |             |   |   |                             |                        |   |                             |                                     |                                     |                         |
| From (To)                            | A<br>A      | \$ 535,653.78<br>(1,518,278.79)             | \$ 535,653.78                               |                             | \$ (627,721.60)        |   | \$ (87,428.70)              | \$ (200,045.45)                     | \$ (602,770.50)                     | \$ (312.54)             |
| Increased by:                        |             |   |   |                             |                        |   |                             |                                     |                                     |                         |
| Cash Disbursement Adjustment         | A-4<br>Net  | 11,254,706.36<br>-                          | 1,975,711.64                                | \$303.23                    | 3,931,781.00<br>(3.25) | \$60,134.95<br>3.25                     | 400,156.61                  | 1,817,265.60                        | 1,321,733.54                        | 1,747,619.79            |
| Revenue Anticipated Revenue          | A-2a        | <u>2,739,359.14</u><br><u>13,994,065.50</u> | <u>2,739,359.14</u><br><u>4,715,070.78</u>  | <u>303.23</u>               | <u>3,931,777.75</u>    | <u>60,138.20</u>                        | <u>400,156.61</u>           | <u>1,817,265.60</u>                 | <u>1,321,733.54</u>                 | <u>1,747,619.79</u>     |
|                                      |             | <u>13,011,440.49</u>                        | <u>5,250,724.56</u>                         | <u>303.23</u>               | <u>3,304,056.15</u>    | <u>60,138.20</u>                        | <u>312,727.91</u>           | <u>1,617,220.15</u>                 | <u>718,963.04</u>                   | <u>1,747,307.25</u>     |
| Decreased by:                        |             |   |   |                             |                        |   |                             |                                     |                                     |                         |
| Cash Receipts                        | A-4         | 9,657,012.80                                | 1,827,410.14                                | 256.05                      | 3,266,075.53           | 60,111.33                               | 312,756.49                  | 1,617,248.05                        | 718,963.04                          | 1,854,192.17            |
| Grant Appropriations                 | A-3         | 2,762,731.80                                | 2,762,731.80                                |                             |                        |   |                             |                                     |                                     |                         |
| Cancellations of Grants Awards (Net) | A-1         | 30,977.24<br>-                              | 30,977.24                                   |                             |                        |   |                             |                                     |                                     |                         |
|                                      |             | <u>12,450,721.84</u>                        | <u>4,621,119.18</u>                         | <u>256.05</u>               | <u>3,266,075.53</u>    | <u>60,111.33</u>                        | <u>312,756.49</u>           | <u>1,617,248.05</u>                 | <u>718,963.04</u>                   | <u>1,854,192.17</u>     |
| Balance, December 31, 2018           |             |   |   |                             |                        |   |                             |                                     |                                     |                         |
| From (To)                            | A<br>A      | \$ 667,660.05<br>(106,941.40)               | \$ 629,605.38                               | \$ 47.18                    | \$ 37,980.62           | \$ 26.87                                | \$ (28.58)                  | \$ (27.90)                          | \$                                  | \$ (106,884.92)         |
| <u>Net Debit to Operations</u>       | <u>Ref.</u> |   |   |                             |                        |   |                             |                                     |                                     |                         |
| Balance, December 31, 2017           | Above       | \$ 535,653.78                               |   |                             |                        |   |                             |                                     |                                     |                         |
| Balance, December 31, 2018           | Above       | <u>667,660.05</u>                           |   |                             |                        |   |                             |                                     |                                     |                         |
| Net Debit                            | A-1         | <u>\$ (132,006.27)</u>                      |   |                             |                        |   |                             |                                     |                                     |                         |

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

A-19

DEFERRED CHARGES  
FOR THE YEAR ENDED DECEMBER 31, 2018

|  | <u>Balance,</u><br><u>December 31, 2017</u> | <u>Resulting in</u><br><u>2018</u> | <u>Raised In</u><br><u>Budget</u> | <u>Balance,</u><br><u>December 31, 2018</u> |
|--|---|------------------------------------|-----------------------------------|---|
| Overexpenditure of Budget Appropriations- 2017 | \$ 9,793.89                                 |                                    | \$ 9,793.89                       |   |
| Overexpenditure of Budget Appropriations- 2018 |   | \$ 86,367.67                       |                                   | \$ 86,367.67                                |
| Emergency Authorization                        | 1,820,000.00                                | 1,000,000.00                       | 1,820,000.00                      | 1,000,000.00                                |
|  | <hr/>                                       | <hr/>                              | <hr/>                             | <hr/>                                       |
|  | <u>\$ 1,829,793.89</u>                      | <u>\$ 1,086,367.67</u>             | <u>\$ 1,829,793.89</u>            | <u>\$ 1,086,367.67</u>                      |
| <u>Ref.</u>                                    | A   | A-1, A-3a                          | A-3a                              | A   |

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

A-20

DEFERRED CHARGES  
N.J.S.A.40A:4-55 SPECIAL EMERGENCY  
FOR  
THE YEAR ENDED DECEMBER 31, 2018

| <u>Purpose</u>                         | <u>Net Amount<br/>Authorized</u> | <u>1/5<br/>Net Amount<br/>Authorized</u> | <u>Balance<br/>December 31, 2017</u> | <u>Reduced<br/>in 2018</u>  | <u>Balance<br/>December 31, 2018</u> |
|--|----------------------------------|--|--------------------------------------|-----------------------------|--------------------------------------|
| Revaluation<br>Emergency Authorization | \$ 519,100.00<br>1,000,000.00    | \$ 103,820.00<br>200,000.00              | \$ 103,820.00<br>800,000.00          | \$ 103,820.00<br>200,000.00 | \$ 600,000.00                        |
|  | <u>\$ 1,000,000.00</u>           | <u>\$ 303,820.00</u>                     | <u>\$ 903,820.00</u>                 | <u>\$ 303,820.00</u>        | <u>\$ 600,000.00</u>                 |
|  |                                  |  | A                                    | A-3a                        | A                                    |

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

GRANTS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2018

|   | <u>Balance</u><br><u>December 31, 2017</u> | <u>Grants</u> | <u>Chapter 159</u> | <u>Collections</u> | <u>Unappropriated</u><br><u>Applied</u> | <u>Balance</u><br><u>December 31, 2018</u> |
|---|--|---------------|--------------------|--------------------|---|--|
| State Grants:                                     |  |               |                    |                    |   |  |
| <b>New Jersey Transportation Trust Fund</b>       |  |               |                    |                    |   |  |
| Year 2010   | \$ 231,497.75                              |               |                    |                    |   | \$ 231,497.75                              |
| TY 2011 Phase II Way Finding Signage              | 100,000.00                                 |               |                    |                    |   | 100,000.00                                 |
| Way Finding Signage PH II Calendar 2012           | 20,524.75                                  |               |                    |                    |   | 20,524.75                                  |
| FY 2011 Various Streets                           | 22,535.07                                  |               |                    |                    |   | 22,535.07                                  |
| NJDOT Various Streets 2012                        | 151,329.45                                 |               |                    | \$ 96,582.95       |   | 54,746.50                                  |
| NJDOT Various Streets 2013                        | 63,457.85                                  |               |                    |                    |   | 63,457.85                                  |
| NJDOT Various Streets 2014                        | 319,300.00                                 |               |                    | 73,441.62          |   | 245,858.38                                 |
| NJDOT - Highland Ave Station Rehab                | 614,000.00                                 |               |                    | 78,024.22          |   | 535,975.78                                 |
| NJDOT Various Streets 2015                        | 137,676.50                                 |               |                    |                    |   | 137,676.50                                 |
| NJDOT- Various Streets -2016                      | 124,130.33                                 |               |                    |                    |   | 124,130.33                                 |
| NJDOT- Various Streets -2017                      | 334,648.00                                 |               |                    | 148,536.11         |   | 186,111.89                                 |
| NJDOT- Various Streets -2018                      |  | \$ 933,140.00 |                    | 561,173.14         |   | 371,966.86                                 |
| <b>NJDOT Drive Sober Get Pulled Over</b>          |  |               |                    |                    |   |  |
| NJDOT Drive Sober or Get Pulled Over              | 50.00                                      |               |                    |                    |   | 50.00                                      |
| NJDOT Drive Sober or Get Pulled Over              | 5,000.00                                   |               |                    |                    |   | 5,000.00                                   |
| <b>Summer Food Program for Children</b>           |  |               |                    |                    |   |  |
| Calendar Year 2016                                | 77,492.27                                  |               |                    |                    |   | 77,492.27                                  |
| Calendar Year 2017                                | 114,471.22                                 |               |                    | 6,990.39           |   | 107,480.83                                 |
| Calendar Year 2017                                |  | 304,356.33    |                    | 195,686.12         |   | 108,670.21                                 |
| <b>Clean Communities Act:</b>                     |  |               |                    |                    |   |  |
| Calendar year 2018                                |  | 45,391.59     |                    |                    | \$ 45,391.59                            |  |
| <b>Transportation Enhancement - Train Station</b> |  |               |                    |                    |   |  |
| Phase II- Fiscal Year 2002                        | 200,000.00                                 |               |                    |                    |   | 200,000.00                                 |
| Train FY 2010 Transit                             | 0.25                                       |               |                    |                    |   | 0.25                                       |
| <b>N.J. Legislative Grant-in-Aid</b>              | 1,250,000.00                               |               |                    |                    |   | 1,250,000.00                               |
|   | <hr/>                                      | <hr/>         | <hr/>              | <hr/>              | <hr/>                                   | <hr/>                                      |
|   | 3,766,113.44                               | 1,282,887.92  | -                  | 1,160,434.55       | 45,391.59                               | 3,843,175.22                               |

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

GRANTS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2018

|  | <u>Balance</u><br><u>December 31, 2017</u> | <u>Grants</u>   | <u>Chapter 159</u> | <u>Collections</u> | <u>Unappropriated</u><br><u>Applied</u> | <u>Balance</u><br><u>December 31, 2018</u> |
|--|--|-----------------|--------------------|--------------------|---|--|
| <b>State Grants:</b>                                     |  |                 |                    |                    |   |  |
| <b>Hazardous Discharge Site Remediation Fund:</b>        |  |                 |                    |                    |   |  |
| 534 Mitchell Street - Fiscal Year 2008                   | \$ 400.00                                  |                 |                    |                    |   | \$ 400.00                                  |
| 540 Mitchell Street - Fiscal Year 2008                   | 400.00                                     |                 |                    |                    |   | 400.00                                     |
| 534 Mitchell Street - Fiscal Year 2009                   | 1,818.50                                   |                 |                    |                    |   | 1,818.50                                   |
| 540 Mitchell Street - Fiscal Year 2009                   | 1,869.25                                   |                 |                    |                    |   | 1,869.25                                   |
| 321 Scotland Road - Fiscal Year 2010                     | 19,412.00                                  |                 |                    |                    |   | 19,412.00                                  |
| 481 New England Terrace - Fiscal Year 2010               | 39,460.20                                  |                 |                    |                    |   | 39,460.20                                  |
| 490 Central Avenue - Fiscal Year 2010                    | 42,230.00                                  |                 |                    |                    |   | 42,230.00                                  |
| 507 Mitchell Street - Fiscal Year 2010                   | 26,412.00                                  |                 |                    |                    |   | 26,412.00                                  |
| 546 Mitchell Street - Fiscal Year 2010                   | 26,412.00                                  |                 |                    |                    |   | 26,412.00                                  |
| 534 Mitchell Street - Fiscal Year 2017                   |  | \$ 30,702.00    |                    |                    |   | 30,702.00                                  |
| 540 Mitchell Street - Fiscal Year 2017                   |  | 21,652.00       |                    |                    |   | 21,652.00                                  |
| <b>N.J. Historic Trust - City Hall Preservation Plan</b> |  |                 |                    |                    |   |  |
| Fiscal Year 2008   | 7,878.85                                   |                 |                    |                    |   | 7,878.85                                   |
| Fiscal Year 2010   | 140,500.00                                 |                 |                    | \$ 140,500.00      |   |  |
| <b>Green Acres</b>                                       |  |                 |                    |                    |   |  |
| Multi-Parks #2   | 200,028.51                                 |                 |                    |                    |   | 200,028.51                                 |
| Green Acres Multi Parks #0717-10-018                     | 165,900.73                                 |                 |                    |                    |   | 165,900.73                                 |
| Green Acres Multi Parks #0717-14-056                     | 855,000.00                                 |                 |                    |                    |   | 855,000.00                                 |
| Green Acres Multi Parks #0717-14-156                     |  |                 | \$ 1,000,000.00    |                    |   | 1,000,000.00                               |
| Essex County CDBG Match- Multi Parks                     | 13,969.96                                  |                 |                    |                    |   | 13,969.96                                  |
| Essex County Green Acres                                 | 245,000.00                                 |                 |                    |                    |   | 245,000.00                                 |
| <b>N.J. Dept. of Environmental Protection</b>            |  |                 |                    |                    |   |  |
| Recycling Tonnage Grant - 2017                           |  | 9,405.63        |                    |                    | \$ 9,405.63                             |  |
| Recycling Tonnage Grant - 2018                           |  | 9,131.93        |                    | 9,131.93           |   |  |
| N.J. Office of Recreation                                |  |                 |                    |                    |   |  |
| N.J. Recreation ROID                                     |  | 20,000.00       |                    |                    |   | 20,000.00                                  |
| N.J. Fire Sprinkler Advisory Council                     |  | 1,000.00        |                    | 1,000.00           |   |  |
|  | <hr/> 1,786,692.00                         | <hr/> 91,891.56 | <hr/> 1,000,000.00 | <hr/> 150,631.93   | <hr/> 9,405.63                          | <hr/> 2,718,546.00                         |



CITY OF ORANGE TOWNSHIP  
CURRENT FUND

GRANTS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2018

|   | <u>Balance</u><br><u>December 31, 2017</u> | <u>Grants</u>   | <u>Chapter 159</u> | <u>Collections</u> | <u>Unappropriated</u><br><u>Applied</u> | <u>Balance</u><br><u>December 31, 2018</u> |
|---|--|-----------------|--------------------|--------------------|---|--|
| <b>Federal Grants</b>                             |  |                 |                    |                    |   |  |
| <b>US Department of Justice</b>                   |  |                 |                    |                    |   |  |
| USDOJ Bullet Proof Vests                          | \$ 21,148.62                               |                 |                    | \$ 19,525.00       |   | \$ 1,623.62                                |
| Cops Hiring -2016                                 | 1,355,249.62                               |                 |                    | 287,703.19         |   | 1,067,546.43                               |
| <b>FEMA</b>                                       |  |                 |                    |                    |   |  |
| Hazard Mitigation - Well Generators               | 196,190.00                                 |                 |                    |                    |   | 196,190.00                                 |
| <b>County of Essex:</b>                           |  |                 |                    |                    |   |  |
| <b>Essex County Municipal Alliance Program:</b>   |  |                 |                    |                    |   |  |
| Calendar Year 2015                                | 20,877.02                                  |                 |                    |                    |   | 20,877.02                                  |
| Calendar Year 2016-2017                           | 34,384.15                                  |                 |                    |                    |   | 34,384.15                                  |
| Calendar Year 2017-2018                           | 42,500.00                                  |                 |                    | 29,715.00          |   | 12,785.00                                  |
| Calendar Year 2018-2019                           |  | \$ 27,760.00    |                    |                    |   | 27,760.00                                  |
| <b>Division on Aging:</b>                         |  |                 |                    |                    |   |  |
| Senior Citizen's Public Health Nurse              |  |                 |                    |                    |   |  |
| Calendar Year 2017 (Visiting Nurses )             |  | 19,262.00       |                    | 19,262.00          |   |  |
| <b>Division of Cultural and Historic Affairs:</b> |  |                 |                    |                    |   |  |
| Local History Program Grant 2018                  |  | 1,057.66        |                    |                    |   | 1,057.66                                   |
| Local Arts Grant 2018                             |  | 1,500.00        |                    | 1,125.00           |   | 375.00                                     |
|   | 1,670,349.41                               | 49,579.66       |                    | 357,330.19         |   | 1,362,598.88                               |
|   | \$ 7,223,154.85                            | \$ 1,424,359.14 | \$ 1,000,000.00    | \$ 1,668,396.67    | \$ 54,797.22                            | \$ 7,924,320.10                            |
| Ref.  | A  | A-2, A-36       | A-2, A-36          | A-36               | A-31                                    | A  |

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2018

|   | Balance, December 31, 2017 |                   |                   | After<br>Transfer | Paid or<br>Charged | Transferred to<br>Accounts Payable | Lapsed            |
|---|----------------------------|-------------------|-------------------|-------------------|--------------------|------------------------------------|-------------------|
|   | Encumbrances               | Reserved          | Total             |                   |                    |                                    |                   |
| <b>DEPARTMENT OF ADMINISTRATION</b>           |                            |                   |                   |                   |                    |                                    |                   |
| Mayor's Office                                |                            |                   |                   |                   |                    |                                    |                   |
| Salaries and Wages                            |                            | \$ 5,857.94       | \$ 5,857.94       | \$ 57.94          |                    |                                    | \$ 57.94          |
| Other Expenses                                | \$ 767.80                  | 526.32            | 1,294.12          | 1,294.12          | \$ 867.80          |                                    | 426.32            |
| Office of Business Administrator              |                            |                   |                   |                   |                    |                                    |                   |
| Salaries and Wages                            |                            | 512.15            | 512.15            | 212.15            |                    |                                    | 212.15            |
| Other Expenses                                | 178.02                     | 1,822.98          | 2,001.00          | 2,001.00          | 138.15             |                                    | 1,862.85          |
| Office of Administrative Services             |                            |                   |                   |                   |                    |                                    |                   |
| Salaries and Wages                            |                            | 5,404.11          | 5,404.11          | 4.11              |                    |                                    | 4.11              |
| Other Expenses                                | 56,132.08                  | 14,344.49         | 70,476.57         | 70,476.57         | 61,786.10          |                                    | 8,690.47          |
| Grant Writer                                  |                            |                   |                   |                   |                    |                                    |                   |
| Salaries and Wages                            | 16,664.00                  |                   | 16,664.00         | 16,664.00         | 16,664.00          |                                    |                   |
| Salaries and Wages                            |                            | 464.41            | 464.41            | 464.41            |                    |                                    | 464.41            |
| Other Expenses                                |                            | 800.00            | 800.00            | 800.00            |                    |                                    | 800.00            |
| Insurances                                    |                            |                   |                   |                   |                    |                                    |                   |
| General Liability                             | 26,146.84                  | 24,779.81         | 50,926.65         | 50,926.65         | 29,916.84          |                                    | 21,009.81         |
| Workers Compensation                          | 141,345.43                 | 25,925.01         | 167,270.44        | 167,270.44        | 142,985.43         |                                    | 24,285.01         |
| Employee Group Health                         | 239,032.68                 | 105,338.57        | 344,371.25        | 344,371.25        | 281,688.84         |                                    | 62,682.41         |
| Waived Health Benefits                        |                            | 9,563.16          | 9,563.16          | 9,563.16          | 4,179.83           |                                    | 5,383.33          |
| Municipal Alcohol Beverage Control            |                            |                   |                   |                   |                    |                                    |                   |
| Other Expenses                                | 5,342.92                   | 3,443.84          | 8,786.76          | 8,786.76          | 3,642.72           |                                    | 5,144.04          |
|   | <u>485,609.77</u>          | <u>198,782.79</u> | <u>684,392.56</u> | <u>672,892.56</u> | <u>541,869.71</u>  | <u>-</u>                           | <u>131,022.85</u> |
| <b>DEPARTMENT OF LAW</b>                      |                            |                   |                   |                   |                    |                                    |                   |
| Salaries and Wages                            |                            | 42,155.51         | 42,155.51         | 42,155.51         |                    |                                    | 42,155.51         |
| Other Expenses                                | 145,758.41                 | 127,128.33        | 272,886.74        | 279,906.74        | 218,118.21         |                                    | 61,788.53         |
|   | <u>145,758.41</u>          | <u>169,283.84</u> | <u>315,042.25</u> | <u>322,062.25</u> | <u>218,118.21</u>  | <u>-</u>                           | <u>103,944.04</u> |
| <b>CITY CLERK AND MUNICIPAL COUNCIL</b>       |                            |                   |                   |                   |                    |                                    |                   |
| City Council                                  |                            |                   |                   |                   |                    |                                    |                   |
| Salaries and Wages                            |                            | 8,018.94          | 8,018.94          | 8,018.94          |                    |                                    | 8,018.94          |
| Other Expenses                                | 105,763.57                 | 52,301.22         | 158,064.79        | 158,064.79        | 61,733.87          |                                    | 96,330.92         |
| City Clerk                                    |                            |                   |                   |                   |                    |                                    |                   |
| Salaries and Wages                            |                            | 9,960.41          | 9,960.41          | 60.41             |                    |                                    | 60.41             |
| Other Expenses                                | 55,232.32                  | 8,545.08          | 63,777.40         | 63,777.40         | 38,787.99          |                                    | 24,989.41         |
| Election Expenses                             | 17,989.45                  | 9,226.02          | 27,215.47         | 27,215.47         | 11,598.17          |                                    | 15,617.30         |
|   | <u>178,985.34</u>          | <u>88,051.67</u>  | <u>267,037.01</u> | <u>257,137.01</u> | <u>112,120.03</u>  | <u>-</u>                           | <u>145,016.98</u> |
| <b>DEPARTMENT OF PLANNING AND DEVELOPMENT</b> |                            |                   |                   |                   |                    |                                    |                   |
| Inspection and Licensing/UCC                  |                            |                   |                   |                   |                    |                                    |                   |
| Salaries and Wages                            |                            | 4,875.37          | 4,875.37          |                   |                    |                                    |                   |
| Other Expenses                                | 4,859.57                   | 16,649.85         | 21,509.42         | 21,509.42         | 17,952.62          |                                    | 3,556.80          |
| Planning Division                             |                            |                   |                   |                   |                    |                                    |                   |
| Salaries and Wages                            |                            | 2,605.67          | 2,605.67          |                   |                    |                                    |                   |
| Other Expenses                                | 57,835.83                  | 1,441.01          | 59,276.84         | 75,981.84         | 73,301.93          |                                    | 2,679.91          |
| Zoning Board                                  |                            |                   |                   |                   |                    |                                    |                   |
| Salaries and Wages                            |                            | 0.40              | 0.40              | 0.40              |                    |                                    | 0.40              |
| Other Expenses                                | 2,499.98                   | 531.65            | 3,031.63          | 3,031.63          |                    |                                    | 3,031.63          |
| Planning Board                                |                            |                   |                   |                   |                    |                                    |                   |
| Other Expenses                                | 416.66                     | 3,709.62          | 4,126.28          | 4,126.28          | 833.32             |                                    | 3,292.96          |
| Historic Preservation Board                   |                            |                   |                   |                   |                    |                                    |                   |
| Other Expenses                                | 1,496.00                   | 736.16            | 2,232.16          | 2,232.16          | 1,676.52           |                                    | 555.64            |
| Rent Leveling Board                           |                            |                   |                   |                   |                    |                                    |                   |
| Other Expenses                                | 833.32                     | 431.81            | 1,265.13          | 1,265.13          | 859.48             |                                    | 405.65            |
|   | <u>67,941.36</u>           | <u>30,981.54</u>  | <u>98,922.90</u>  | <u>108,146.86</u> | <u>94,623.87</u>   | <u>-</u>                           | <u>13,522.99</u>  |
| <b>DEPARTMENT OF FINANCE</b>                  |                            |                   |                   |                   |                    |                                    |                   |
| Department of Finance                         |                            |                   |                   |                   |                    |                                    |                   |
| Salaries and Wages                            |                            | 8,719.85          | 8,719.85          | 19.85             |                    |                                    | 19.85             |
| Other Expenses                                | 28,721.69                  | 3,157.98          | 31,879.67         | 31,879.67         | 25,860.40          |                                    | 6,019.27          |
| Auditing/Acting Services                      | 16,824.00                  | 8,432.00          | 25,256.00         | 29,256.00         | 29,256.00          |                                    |                   |
| Office of Tax Collector                       |                            |                   |                   |                   |                    |                                    |                   |
| Salaries and Wages                            |                            | 1,518.85          | 1,518.85          | 18.85             |                    |                                    | 18.85             |
| Other Expenses                                | 15,514.88                  | 5,781.75          | 21,296.63         | 21,296.63         | 14,227.89          |                                    | 7,068.74          |
| Office of Tax Assessor                        |                            |                   |                   |                   |                    |                                    |                   |
| Salaries and Wages                            |                            | 3,944.46          | 3,944.46          | 44.46             |                    |                                    | 44.46             |
| Other Expenses                                | 25,245.54                  | 11,274.49         | 36,520.03         | 36,520.03         | 27,445.90          |                                    | 9,074.13          |
|   | <u>86,306.11</u>           | <u>42,829.38</u>  | <u>129,135.49</u> | <u>119,035.49</u> | <u>96,790.19</u>   | <u>-</u>                           | <u>22,245.30</u>  |

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2018

|   | Balance, December 31, 2017 |                   |                   | After<br>Transfer | Paid or<br>Charged | Transferred to<br>Accounts Payable | Lapsed            |
|---|----------------------------|-------------------|-------------------|-------------------|--------------------|------------------------------------|-------------------|
|   | Encumbrances               | Reserve           | Total             |                   |                    |                                    |                   |
| <b>DEPARTMENT OF COMMUNITY SERVICES</b> |                            |                   |                   |                   |                    |                                    |                   |
| Administration Division                 |                            |                   |                   |                   |                    |                                    |                   |
| Salaries and Wages                      | \$ 1,419.82                | \$ 926.92         | \$ 2,346.74       | \$ 2,346.74       | \$ 676.57          |                                    | \$ 1,670.17       |
| Health Division                         |                            |                   |                   |                   |                    |                                    |                   |
| Salaries and Wages                      |                            | 22,018.96         | 22,018.96         | 22,018.96         |                    |                                    | 22,018.96         |
| Other Expenses                          | 16,282.49                  | 4,122.00          | 20,404.49         | 20,404.49         | 15,970.86          |                                    | 4,433.63          |
| Animal Control                          |                            |                   |                   |                   |                    |                                    |                   |
| Salaries and Wages                      |                            | 530.41            | 530.41            | 530.41            |                    |                                    | 530.41            |
| Other Expenses                          | 6,930.24                   | 1,182.32          | 8,112.56          | 8,112.56          | 6,946.24           |                                    | 1,166.32          |
| After School                            |                            |                   |                   |                   |                    |                                    |                   |
| Salaries and Wages                      |                            | 1,695.15          | 1,695.15          | 1,695.15          |                    |                                    | 1,695.15          |
| Other Expenses                          | 9,697.90                   | 1,302.10          | 11,000.00         | 11,000.00         | 7,950.00           |                                    | 3,050.00          |
| Older Adult Services                    |                            |                   |                   |                   |                    |                                    |                   |
| Other Expenses                          | 21,495.10                  | 2,721.76          | 24,216.86         | 24,216.86         | 20,060.96          |                                    | 4,155.90          |
| Cultural Affairs                        |                            |                   |                   |                   |                    |                                    |                   |
| Salaries and Wages                      |                            | 67.98             | 67.98             | 67.98             |                    |                                    | 67.98             |
| Other Expenses                          | 2,356.91                   | 5,262.78          | 7,619.69          | 7,619.69          | 2,421.46           |                                    | 5,198.23          |
| Recreation                              |                            |                   |                   |                   |                    |                                    |                   |
| Salaries and Wages                      |                            | 8,006.80          | 8,006.80          | 8,006.80          |                    |                                    | 8,006.80          |
| Other Expenses                          | 9,451.73                   | 16,182.41         | 25,634.14         | 25,634.14         | 4,952.30           |                                    | 20,681.84         |
|   | <u>67,634.19</u>           | <u>64,019.59</u>  | <u>131,653.78</u> | <u>131,653.78</u> | <u>58,978.39</u>   | <u>-</u>                           | <u>72,675.39</u>  |
| <b>DEPARTMENT OF POLICE</b>             |                            |                   |                   |                   |                    |                                    |                   |
| Administrative Division                 |                            |                   |                   |                   |                    |                                    |                   |
| Salaries and Wages                      | 15,769.00                  |                   | 15,769.00         | 15,769.00         | 15,769.00          |                                    |                   |
| Other Expenses                          | 323,825.88                 | 48,358.88         | 372,184.76        | 392,184.76        | 329,541.60         |                                    | 62,643.16         |
| School Guards                           |                            |                   |                   |                   |                    |                                    |                   |
| Salaries and Wages                      |                            | 5,637.08          | 5,637.08          | 49.06             |                    |                                    | 49.06             |
|   | <u>339,594.88</u>          | <u>53,995.96</u>  | <u>393,590.84</u> | <u>408,002.82</u> | <u>345,310.60</u>  | <u>-</u>                           | <u>62,692.22</u>  |
| <b>DEPARTMENT OF FIRE</b>               |                            |                   |                   |                   |                    |                                    |                   |
| Administrative Division                 |                            |                   |                   |                   |                    |                                    |                   |
| Salaries and Wages                      |                            | 91,533.22         | 91,533.22         | 91,533.22         |                    |                                    | 91,533.22         |
| Other Expenses                          | 215,192.95                 | 15,332.66         | 230,525.61        | 240,525.61        | 196,409.14         |                                    | 44,116.47         |
|   | <u>215,192.95</u>          | <u>106,865.88</u> | <u>322,058.83</u> | <u>332,058.83</u> | <u>196,409.14</u>  | <u>-</u>                           | <u>135,649.69</u> |
| <b>DEPARTMENT OF PUBLIC WORKS</b>       |                            |                   |                   |                   |                    |                                    |                   |
| Street Maintenance                      |                            |                   |                   |                   |                    |                                    |                   |
| Salaries and Wages                      |                            | 26,772.60         | 26,772.60         | 25,752.60         |                    |                                    | 25,752.60         |
| Other Expenses                          | 52,358.11                  | 3,048.43          | 55,406.54         | 55,406.54         | 31,523.70          |                                    | 23,882.84         |
| Maintenance of Parks                    |                            |                   |                   |                   |                    |                                    |                   |
| Salaries and Wages                      |                            | 7,436.08          | 7,436.08          | 7,436.08          |                    |                                    | 7,436.08          |
| Other Expenses                          | 15,065.69                  | 250.81            | 15,316.50         | 15,316.50         | 136.79             |                                    | 15,179.71         |
| Director's Office                       |                            |                   |                   |                   |                    |                                    |                   |
| Salaries and Wages                      |                            | 4,305.91          | 4,305.91          |                   |                    |                                    |                   |
| Other Expenses                          | 16,516.28                  | 34,951.07         | 51,467.35         | 51,467.35         | 44,696.16          |                                    | 6,771.19          |
| Equipment and Vehicle Maintenance       |                            |                   |                   |                   |                    |                                    |                   |
| Salaries and Wages                      |                            |                   |                   |                   |                    |                                    |                   |
| Other Expenses                          | 203,486.79                 | 26,777.53         | 230,264.32        | 230,264.32        | 144,301.95         |                                    | 85,962.47         |
| Buildings and Grounds                   |                            |                   |                   |                   |                    |                                    |                   |
| Salaries and Wages                      |                            | 9,841.90          | 9,841.90          | 9,841.90          |                    |                                    | 9,841.90          |
| Other Expenses                          | 115,079.50                 | 6,310.67          | 121,390.17        | 121,390.17        | 51,041.39          |                                    | 70,348.78         |
| Snow Removal                            |                            |                   |                   |                   |                    |                                    |                   |
| Salaries and Wages                      |                            | 38.02             | 38.02             | 38.02             |                    |                                    | 38.02             |
| Other Expenses                          | 10,488.66                  | 8,563.45          | 19,052.11         | 19,052.11         | 4,372.12           |                                    | 14,679.99         |
|   | <u>412,995.03</u>          | <u>128,296.47</u> | <u>541,291.50</u> | <u>535,965.59</u> | <u>276,072.11</u>  | <u>-</u>                           | <u>259,893.58</u> |
| <b>MUNICIPAL COURT</b>                  |                            |                   |                   |                   |                    |                                    |                   |
| Court                                   |                            |                   |                   |                   |                    |                                    |                   |
| Salaries and Wages                      |                            | 8,866.73          | 8,866.73          | 8,066.73          |                    |                                    | 8,066.73          |
| Other Expenses                          | 17,079.27                  |                   | 17,079.27         | 17,979.27         | 15,095.83          |                                    | 2,883.44          |
|   | <u>17,079.27</u>           | <u>8,866.73</u>   | <u>25,946.00</u>  | <u>26,046.00</u>  | <u>15,095.83</u>   | <u>-</u>                           | <u>10,950.17</u>  |

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2018

|   | Balance, December 31, 2017 |                        |                        | After<br>Transfer      | Paid or<br>Charged     | Transferred to<br>Accounts Payable | Lapsed                 |
|---|----------------------------|------------------------|------------------------|------------------------|------------------------|------------------------------------|------------------------|
|   | Encumbrances               | Reserve                | Total                  |                        |                        |                                    |                        |
| UNIFORM CONSTRUCTION CODE -<br>APPROPRIATIONS OFFSET BY<br>DEDICATED REVENUES (N.J.A.C.5:23-4.17) |                            |                        |                        |                        |                        |                                    |                        |
| Inspections and Licensing   |                            | \$ 3,930.03            | \$ 3,930.03            |                        |                        |                                    |                        |
| Salaries and Wages  |                            |                        |                        |                        |                        |                                    |                        |
|   |                            | <u>3,930.03</u>        | <u>3,930.03</u>        |                        |                        |                                    |                        |
| UNCLASSIFIED  |                            |                        |                        |                        |                        |                                    |                        |
| Utilities   |                            |                        |                        |                        |                        |                                    |                        |
| Telephone   | \$ 54,410.54               | 14,256.00              | 68,666.54              | \$ 68,666.54           | \$ 52,434.89           |                                    | \$ 16,231.65           |
| Street Lighting   | 151,580.63                 | 73,857.31              | 225,437.94             | 225,437.94             | 146,011.12             |                                    | 79,426.82              |
| Gas and Electric  | 127,891.75                 | 30,659.51              | 158,551.26             | 158,551.26             | 134,868.13             |                                    | 23,683.13              |
| Refuse Removal  | 365,888.80                 | 28,157.50              | 394,046.30             | 394,046.30             | 367,605.67             |                                    | 26,440.63              |
|   | <u>699,771.72</u>          | <u>146,930.32</u>      | <u>846,702.04</u>      | <u>846,702.04</u>      | <u>700,919.81</u>      | -                                  | <u>145,782.23</u>      |
| CONTINGENT  |                            | 10,000.00              | 10,000.00              | 10,000.00              |                        |                                    | 10,000.00              |
| Contributions to :  |                            |                        |                        |                        |                        |                                    |                        |
| Public Employee Retirement System   |                            | 0.88                   | 0.88                   | 0.88                   |                        |                                    | 0.88                   |
| DRCP  |                            | 2,492.91               | 2,492.91               | 2,492.91               |                        |                                    | 2,492.91               |
| Social Security System  |                            | 52,584.44              | 52,584.44              | 52,584.44              |                        |                                    | 52,584.44              |
| Consolidated Police & Fire  |                            | 21,281.86              | 21,281.86              | 21,281.86              |                        |                                    | 21,281.86              |
| Unemployment Insurance  |                            | 16,200.00              | 16,200.00              | 16,200.00              |                        |                                    | 16,200.00              |
|   |                            | <u>92,560.09</u>       | <u>92,560.09</u>       | <u>92,560.09</u>       |                        |                                    | <u>92,560.09</u>       |
| Capital Improvements - Demolition   |                            | 118,000.00             | 118,000.00             | 118,000.00             |                        |                                    | 118,000.00             |
|   |                            | <u>118,000.00</u>      | <u>118,000.00</u>      | <u>118,000.00</u>      |                        |                                    | <u>118,000.00</u>      |
|   | <u>\$ 2,716,869.03</u>     | <u>\$ 1,263,394.29</u> | <u>\$ 3,980,263.32</u> | <u>\$ 3,980,263.32</u> | <u>\$ 2,656,307.89</u> | <u>\$ -</u>                        | <u>\$ 1,323,955.53</u> |
|   | A                          | A                      |                        |                        | A-4                    |                                    | A-1                    |

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

A-23

ACCOUNTS PAYABLE  
YEAR ENDED DECEMBER 31, 2018

|                            | Ref. |    |            |            |
|----------------------------|------|----|------------|------------|
| Balance, December 31, 2017 | A    |    | \$         | 427,499.67 |
| Decreased by:              |      |    |            |            |
| Cancelled                  | A-1  | \$ | 401,793.51 |            |
| Disbursements              | A-4  |    | 25,706.16  | 427,499.67 |
|                            |      |    |            |            |
| Balance, December 31, 2018 | A    |    | <u>\$</u>  | <u>-</u>   |

A-24

FEDERAL AND STATE GRANT FUND  
DUE TO GRANTORS  
FOR THE YEAR ENDED DECEMBER 31, 2018

|                                     |   |  |           |                   |
|-------------------------------------|---|--|-----------|-------------------|
| Balance, December 31, 2018 and 2017 | A |  | <u>\$</u> | <u>580,543.48</u> |
|-------------------------------------|---|--|-----------|-------------------|

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

TAX OVERPAYMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018

A-25

|                             | <u>Ref.</u> |                   |                             |
|-----------------------------|-------------|-------------------|-----------------------------|
| Balance, December 31, 2017  | A           |                   | \$ 200,874.99               |
| Increased by:               |             |                   |                             |
| Cash Receipts               | A-6         | \$ 245,662.03     |                             |
| State and County Judgements | A-1         | <u>353,375.35</u> |                             |
|                             |             |                   | <u>599,037.38</u>           |
|                             |             |                   | 799,912.37                  |
| Decreased by:               |             |                   |                             |
| Overpayments Applied        | A-10        | 82,903.14         |                             |
| Cash Disbursements          | A-4         | <u>1,913.60</u>   |                             |
|                             |             |                   | <u>84,816.74</u>            |
| Balance, December 31, 2018  | A           |                   | <u><u>\$ 715,095.63</u></u> |

RESERVE ORANGE RESERVOIR  
YEAR ENDED DECEMBER 31, 2018

A-26

|                            | <u>Ref.</u> |  |                             |
|----------------------------|-------------|--|-----------------------------|
| Balance, December 31, 2017 | A           |  | \$ 300,000.00               |
| Decreased by:              |             |  |                             |
| Recognition as Revenue     | A-2a        |  | <u>75,000.00</u>            |
| Balance, December 31, 2018 | A           |  | <u><u>\$ 225,000.00</u></u> |

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

PREPAID LICENSES  
FOR THE YEAR ENDED DECEMBER 31, 2018

A-27

|                            | <u>Ref.</u> |                          |
|----------------------------|-------------|--------------------------|
| Balance, December 31, 2017 | A           | \$ (2,175.00)            |
| Increased by:              |             |                          |
| Collections                | A-6         | 6,328.00                 |
|                            |             | <u>4,153.00</u>          |
| Decreased By:              |             |                          |
| Cash Disbursements         | A-4         | <u>6,400.00</u>          |
| Balance, December 31, 2018 | A           | <u><u>(2,247.00)</u></u> |

EMERGENCY NOTES  
FOR THE YEAR ENDED DECEMBER 31, 2018

A-28

|                            | Ref. |                               |
|----------------------------|------|-------------------------------|
| Balance, December 31, 2017 | A    | \$ 2,620,000.00               |
| Increased by:              |      |                               |
| Borrowings                 | A-4  | <u>1,100,000.00</u>           |
|                            |      | 3,720,000.00                  |
| Increased by:              |      |                               |
| Disbursements              | A-4  | <u>2,620,000.00</u>           |
| Balance, December 31, 2018 | A    | <u><u>\$ 1,100,000.00</u></u> |

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

A-29

RESERVE FOR REVALUATION  
FOR THE YEAR ENDED DECEMBER 31, 2018

|                                     | <u>Ref.</u> |                     |
|-------------------------------------|-------------|---------------------|
| Balance, December 31, 2018 and 2017 | A           | <u>\$ 44,475.09</u> |

RESERVE FOR SALARY ADJUSTMENTS/PERS  
FOR THE YEAR ENDED DECEMBER 31, 2018

A-30

|                               | <u>Ref.</u> |                     |
|-------------------------------|-------------|---------------------|
| Balance, December 31, 2017    | A           | \$ 396,709.39       |
| Increased by:                 |             |                     |
| Transfers from Appropriations | A-3a        | <u>1,550,000.00</u> |
|                               |             | 1,946,709.39        |
| Decreased by:                 |             |                     |
| Cancellation of Reserve       | A-1         | \$ 1,600,000.00     |
| Cash Disbursements            | A-4         | <u>252,786.21</u>   |
|                               |             | 1,852,786.21        |
| Balance, December 31, 2018    | A           | <u>\$ 93,923.18</u> |



CITY OF ORANGE TOWNSHIP  
CURRENT FUND

A-31

FEDERAL AND STATE GRANT FUND  
SCHEDULE OF UNAPPROPRIATED RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2018

| <u>Program</u>                       | <u>Balance</u><br><u>December 31, 2017</u> | <u>Anticipated</u><br><u>in Budget</u> | <u>Due to</u><br><u>Current Fund</u> | <u>Balance</u><br><u>December 31, 2018</u> |
|--------------------------------------|--|--|--------------------------------------|--|
| <u>State and Federal Grant Fund:</u> |  |  |                                      |  |
| Senior Services                      | \$ 15,137.00                               |  |                                      | \$ 15,137.00                               |
| Recycling Tonnage Grant              | 9,405.63                                   | \$ 9,405.63                            |                                      |  |
| Urban Enterprise Zone - Parking Lot  | 139.65                                     |  |                                      | 139.65                                     |
| UEZ Meter Money                      | 10,754.17                                  |  |                                      | 10,754.17                                  |
| UEZ Admin Expenses                   | 44,110.15                                  |  |                                      | 44,110.15                                  |
| Clean Communities                    |  | 45,391.59                              | \$ 45,391.59                         |  |
| Unidentified                         |  |  | 1,554.63                             | 1,554.63                                   |
|                                      | <u>\$ 79,546.60</u>                        | <u>\$ 54,797.22</u>                    | <u>\$ 46,946.22</u>                  | <u>\$ 71,695.60</u>                        |
| <u>Ref.</u>                          | A  | A-21                                   | A-36                                 | A  |

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

A-32

COUNTY TAXES PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2018

|                            | <u>Ref.</u>     |                            |
|----------------------------|-----------------|----------------------------|
| Balance, December 31, 2017 | A               | \$ 23,297.55               |
| Increased by:              |                 |                            |
| 2018 Tax Levy              |                 | 7,864,170.19               |
| 2018 Added and Omitted     |                 | <u>37,461.32</u>           |
|                            | A-1, A-2c, A-10 | 7,901,631.51               |
| Decreased by:              |                 |                            |
| Disbursements              | A-4             | <u>7,887,148.20</u>        |
| Balance, December 31, 2018 | A               | <u><u>\$ 37,780.86</u></u> |

SCHOOL TAXES PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2018

A-33

|                            | <u>Ref.</u>     |                            |
|----------------------------|-----------------|----------------------------|
| Balance, December 31, 2017 | A               | \$ 94,999.83               |
| Increased by:              |                 |                            |
| School Tax Levy            | A-1, A-2c, A-10 | <u>12,281,308.00</u>       |
|                            |                 | 12,376,307.83              |
| Decreased by:              |                 |                            |
| Disbursements              | A-4             | <u>12,281,308.00</u>       |
| Balance, December 31, 2018 | A               | <u><u>\$ 94,999.83</u></u> |

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

A-34

PREPAID TAXES  
FOR THE YEAR ENDED DECEMBER 31, 2018

|                                  | <u>Ref.</u> |               |
|----------------------------------|-------------|---------------|
| Balance, December 31, 2017       | A           | \$ 835,770.23 |
| Increased by:                    |             |               |
| Collections                      | A-6         | 267,245.29    |
|                                  |             | 1,103,015.52  |
| Decreased by:                    |             |               |
| Applied to 2018 Taxes Receivable | A-2c, A-10  | 835,770.23    |
|                                  |             | 835,770.23    |
| Balance, December 31, 2018       | A           | \$ 267,245.29 |

DEPOSITS ON SALE OF PROPERTY  
YEAR ENDED DECEMBER 31, 2018

A-35

|                            | <u>Ref.</u> |             |
|----------------------------|-------------|-------------|
| Balance, December 31, 2017 | A           | \$ 3,110.00 |
| Increased by:              |             |             |
| Cash Receipts              | A-6         | 2,300.00    |
|                            |             | 2,300.00    |
| Balance, December 31, 2018 | A           | \$ 5,410.00 |

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

A-36

FEDERAL AND STATE GRANT FUND  
DUE TO CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2018

|                               | <u>Ref.</u> |                     |                      |
|-------------------------------|-------------|---------------------|----------------------|
| Balance, December 31, 2017    | A           |                     | \$ 535,653.78        |
| Increased by:                 |             |                     |                      |
| Anticipated Revenue           | A-21        | \$ 2,424,359.14     |                      |
| Grant Appropriations Expended | A-37        | <u>1,832,667.15</u> | <u>4,257,026.29</u>  |
|                               |             |                     | 4,792,680.07         |
| Decreased by:                 |             |                     |                      |
| Unappropriated Grant Reserves | A-31        | 46,946.22           |                      |
| Cash Receipts                 | A-21        | 1,668,396.67        |                      |
| Municipal Match               | A-37        | 23,372.66           |                      |
| Grant Appropriations          | A-37        | <u>2,424,359.14</u> | <u>4,163,074.69</u>  |
|                               |             |                     | 4,163,074.69         |
| Balance, December 31, 2018    | A           |                     | <u>\$ 629,605.38</u> |

CITY OF ORANGE TOWNSHIP  
CURRENT FUND  
FEDERAL AND STATE GRANT FUND  
RESERVE FOR GRANT EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2018

| State Grants:                              | Balance           | Prior Year   | 2018 Grants   |             |             |              |              | Balance       |
|--|-------------------|--------------|---------------|-------------|-------------|--------------|--------------|---------------|
|  | December 31, 2017 |              | Encumbrances  | Budgeted    | Match       | Expenditures | Encumbrances | Cancelations  |
|  | Reserved          |              |               |             |             |              |              | Reserved      |
| New Jersey Transportation Trust Fund       |                   |              |               |             |             |              |              |               |
| Authority Act:                             |                   |              |               |             |             |              |              |               |
| Fiscal Year 2010 - Various Streets         | \$ 113,310.87     |              |               |             |             |              |              | \$ 113,310.87 |
| Fiscal Year 2011 - Way Signage             | 16,466.86         |              |               |             |             |              |              | 16,466.86     |
| Calendar Year 2011 Phase II - Way Signage  | 163,740.43        |              |               |             |             |              |              | 163,740.43    |
| Fiscal Year 2011 - Various Streets         | 27,768.22         |              |               |             |             |              |              | 27,768.22     |
| NJDOT Various Streets 2012                 | 46,079.99         |              |               |             |             |              |              | 46,079.99     |
| NJDOT Various Streets 2013                 | 63,460.09         |              |               |             |             |              |              | 63,460.09     |
| NJDOT Various Streets 2014                 | 74,866.57         | \$ 17,057.27 |               |             | \$ 3,641.52 |              |              | 88,282.32     |
| NJDOT Highland Ave Station Rehab           | 614,000.00        |              |               |             |             |              |              | 614,000.00    |
| NJDOT Various Streets 2015                 | 58,981.42         |              |               |             |             |              |              | 58,981.42     |
| NJDOT Drive Sober or Get Pulled Over       | 50.00             |              |               |             |             |              |              | 50.00         |
| NJDOT Various Streets 2016                 | 10,203.12         | 5,938.66     |               |             | 13,999.83   |              |              | 2,141.95      |
| NJDOT Municipal Aid Various Streets 2017   | 285,148.00        | 49,500.00    |               |             | 248,920.02  | \$ 2,694.65  |              | 83,033.33     |
| NJDOT Various Streets 2018                 |                   |              | \$ 933,140.00 |             | 172,711.82  | 688,419.03   |              | 72,009.15     |
| <b>Summer Food Program for Children</b>    |                   |              |               |             |             |              |              |               |
| Calendar Year 2014                         | 1,919.76          |              |               |             |             |              |              | 1,919.76      |
| Calendar Year 2015                         |                   |              |               |             | (30,977.24) |              |              | 30,977.24     |
| Calendar Year 2016                         | 7,445.17          |              |               |             |             |              |              | 7,445.17      |
| Calendar Year 2017                         | 92,185.92         | 45,466.45    |               |             |             | 45,466.45    |              | 92,185.92     |
| Calendar Year 2018                         |                   |              | 304,356.33    |             | 191,686.45  | 82,168.50    |              | 30,501.38     |
| Clean Communities Act:                     |                   |              |               |             |             |              |              |               |
| Fiscal Year 2011                           | 7,729.60          |              |               |             |             |              |              | 7,729.60      |
| Fiscal Year 2010                           | 218.10            |              |               |             |             |              |              | 218.10        |
| Calendar Year 2013                         | 286.61            |              |               |             |             |              |              | 286.61        |
| Calendar Year 2014                         | 890.48            |              |               |             |             |              |              | 890.48        |
| Calendar Year 2014                         | 19,367.48         |              |               |             |             |              |              | 19,367.48     |
| Calendar Year 2015                         | 17,460.87         |              |               |             |             |              |              | 17,460.87     |
| Calendar Year 2016                         | 339.66            |              |               |             |             |              |              | 339.66        |
| Calendar Year 2017                         | 8,252.54          | 1,132.85     |               |             | 2,856.46    | 75.34        |              | 6,453.59      |
| Calendar Year 2018                         |                   |              | 45,391.59     |             | 35,876.90   | 1,176.25     |              | 8,338.44      |
| Urban Enterprise Zone Program:             |                   |              |               |             |             |              |              |               |
| UEZ FINAL PROJECTS                         | 32,376.14         | 71.60        |               |             |             |              | 71.60        | 32,376.14     |
| Transportation Enhancement - Train Station |                   |              |               |             |             |              |              |               |
| Phase II- Fiscal Year 2002                 | 200,000.00        |              |               |             |             |              |              | 200,000.00    |
| Fiscal Year 2010                           | 0.25              |              |               |             |             |              |              | 0.25          |
| N.J. Department of Community Affairs- ROID |                   |              |               |             |             |              |              |               |
| Fiscal Year 2018                           |                   |              | 20,000.00     | \$ 4,000.00 |             |              |              | 24,000.00     |
| Fiscal Year 2014                           | 2,622.91          |              |               |             |             |              |              | 2,622.91      |
|  | 1,865,171.06      | 119,166.83   | 1,302,887.92  | 4,000.00    | 638,715.76  | 820,071.82   | -            | 1,832,438.23  |

CITY OF ORANGE TOWNSHIP  
CURRENT FUND  
FEDERAL AND STATE GRANT FUND  
RESERVE FOR GRANT EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2018

|   | Balance<br>December 31, 2017<br>Reserved | Prior Year<br>Encumbrances | 2018 Grants         |       |                   |                   |              | Balance<br>December 31, 2018<br>Reserved |
|---|--|----------------------------|---------------------|-------|-------------------|-------------------|--------------|--|
|   |  |                            | Budgeted            | Match | Expenditures      | Encumbrances      | Cancelations |  |
| Weed & Seed   | \$ 10,776.54                             |                            |                     |       |                   |                   |              | \$ 10,776.54                             |
| Hazardous Discharge Site Remediation Fund:          |  |                            |                     |       |                   |                   |              |  |
| 534 Mitchell Street - Fiscal Year 2009              | 2,215.17                                 |                            |                     |       |                   |                   |              | 2,215.17                                 |
| 540 Mitchell Street - Fiscal Year 2009              | 4,478.35                                 |                            |                     |       |                   |                   |              | 4,478.35                                 |
| 535 Mitchell Street - Fiscal Year 2009              | 3,350.99                                 |                            |                     |       |                   |                   |              | 3,350.99                                 |
| 507 Mitchell Street - Fiscal Year 2010              | 22,911.50                                |                            |                     |       |                   |                   |              | 22,911.50                                |
| 546 Mitchell Street - Fiscal Year 2010              | 26,412.00                                |                            |                     |       |                   |                   |              | 26,412.00                                |
| 481 New England Terrace - Fiscal Year 2010          | 39,539.56                                |                            |                     |       |                   |                   |              | 39,539.56                                |
| 321 Scotland Road - Fiscal Year 2010                | 22,911.50                                |                            |                     |       |                   |                   |              | 22,911.50                                |
| 490 Central Avenue - Fiscal Year -2010              | 38,931.78                                |                            |                     |       |                   |                   |              | 38,931.78                                |
| 540 Mitchell Street - Fiscal Year 2018              |  |                            | \$ 21,652.00        |       | \$ 21,652.00      |                   |              |  |
| 534 Mitchell Street - Fiscal Year 2018              |  |                            | 30,702.00           |       | 30,702.00         |                   |              |  |
| NJ Historic Trust City Hall Preservation 2010/15    | 61,813.50                                | \$ 946.40                  |                     |       |                   | \$ 946.40         |              | 61,813.50                                |
| NJ Historic Trust 2015 (matching funds)             |  |                            |                     |       |                   |                   |              |  |
| Orange Recreation Center                            | 753,051.00                               | 50,075.00                  |                     |       | 9,250.00          | 51,825.00         |              | 742,051.00                               |
| Green Acres   |  |                            |                     |       |                   |                   |              |  |
| Bell Stadium Rehabilitation                         | 20,030.07                                |                            |                     |       |                   |                   |              | 20,030.07                                |
| NJDEP Green Acres Multi Parks(includes local match) | 260,634.40                               | 170,273.60                 |                     |       | 199,065.34        | 212,025.68        |              | 19,816.98                                |
| GA Multi Park Development Project #0717-14-056      | 855,000.00                               |                            |                     |       | 497,297.18        | 357,702.82        |              |  |
| Local Match 987,082.93                              |  |                            |                     |       |                   |                   |              |  |
| GA Multi Park Development Project #0717-14-156      |  |                            | 1,000,000.00        |       |                   |                   |              | 1,000,000.00                             |
| Recycling Tonnage Grant                             |  |                            |                     |       |                   |                   |              |  |
| Fiscal Year 2010                                    | 83.60                                    |                            |                     |       | 75.00             |                   |              | 8.60                                     |
| Fiscal Year 2011                                    | 5.56                                     | 25.00                      |                     |       | 25.00             |                   |              | 5.56                                     |
| Fiscal Year 2015                                    |  | 1,987.50                   |                     |       | 1,987.50          |                   |              |  |
| Fiscal Year 2016                                    | 2,398.66                                 | 196.00                     |                     |       | 25.00             |                   |              | 2,569.66                                 |
| Fiscal Year 2017                                    |  |                            | 9,405.63            |       |                   |                   |              | 9,405.63                                 |
| Fiscal Year 2018                                    |  |                            | 9,131.93            |       | 1,865.53          |                   |              | 7,266.40                                 |
| Smart Growth:                                       |  |                            |                     |       |                   |                   |              |  |
| Fiscal Year 2012                                    | 25.00                                    |                            |                     |       |                   |                   |              | 25.00                                    |
| Small Grants - Sustainable NJ                       | 40.00                                    |                            |                     |       |                   |                   |              | 40.00                                    |
| Sprinkler Advisory Council                          |  |                            | 1,000.00            |       | 1,000.00          |                   |              |  |
| Body Armor Fund:                                    |  |                            |                     |       |                   |                   |              |  |
| Fiscal Year 2006                                    | 0.08                                     |                            |                     |       |                   |                   |              | 0.08                                     |
| Body Armour and Bullet Proof Vests                  | 69.19                                    |                            |                     |       |                   |                   |              | 69.19                                    |
| Body Armour 2017                                    | 10,061.07                                |                            |                     |       | 2,343.00          |                   |              | 7,718.07                                 |
|   | <u>2,134,739.52</u>                      | <u>223,503.50</u>          | <u>1,071,891.56</u> |       | <u>765,287.55</u> | <u>622,499.90</u> |              | <u>2,042,347.13</u>                      |

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

FEDERAL AND STATE GRANT FUND  
RESERVE FOR GRANT EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2018

| Federal Grants:                                | Balance                | Prior Year           | 2018 Grants            |                     |                        |                        | Adjustments            | Balance      |
|--|------------------------|----------------------|------------------------|---------------------|------------------------|------------------------|------------------------|--------------|
|  | 12/31/2017             |                      | Encumbrances           | Budgeted            | Match                  | Expenditures           |                        | Encumbrances |
|  | <u>Reserved</u>        |                      |                        |                     |                        |                        | <u>Reserved</u>        |              |
| COPS in Shops:                                 |                        |                      |                        |                     |                        |                        |                        |              |
| USDOJ Cops Hired                               | \$ 1,319,520.24        |                      |                        |                     | \$ 254,283.84          |                        | \$ 1,065,236.40        |              |
| Fiscal Year 2016                               |                        |                      |                        |                     |                        |                        |                        |              |
| FEMA Wellness Program:                         |                        |                      |                        |                     |                        |                        |                        |              |
| Fiscal year 2008                               | 12,184.00              |                      |                        |                     |                        |                        | 12,184.00              |              |
| FEMA - Hazard Litigation                       | 85,226.19              | \$ 105,500.00        |                        |                     | 115,760.00             |                        | 74,966.19              |              |
| County of Essex:                               |                        |                      |                        |                     |                        |                        |                        |              |
| Essex County Municipal Alliance Program:       |                        |                      |                        |                     |                        |                        |                        |              |
| Calendar Year 2013                             | 7,146.06               |                      |                        |                     |                        |                        | 7,146.06               |              |
| Calendar Year 2015                             | 24,612.02              |                      |                        |                     |                        |                        | 24,612.02              |              |
| Calendar Year 2016 (includes \$10,625 match)   | 38,162.15              |                      |                        |                     |                        |                        | 38,162.15              |              |
| Calendar Year 2017 (includes \$10,625 match)   | 33,605.00              |                      |                        | \$ 10,625.00        | 30,175.00              |                        | 14,055.00              |              |
| Calendar Year 2018 (includes \$6,940.00 match) |                        |                      | \$ 27,760.00           | 6,940.00            | 8,985.00               |                        | 25,715.00              |              |
| Open Space Trust                               |                        | 206.25               |                        |                     |                        |                        | 206.25                 |              |
| Division on Aging:                             |                        |                      |                        |                     |                        |                        |                        |              |
| Calendar Year 2015 (Visiting Nurses)           | 0.04                   |                      |                        |                     |                        |                        | 0.04                   |              |
| Visiting Nurse Services 2018                   |                        |                      | 19,262.00              |                     | 15,215.00              |                        | 4,047.00               |              |
| Essex County Hurricane Sandy                   |                        |                      |                        |                     |                        |                        |                        |              |
| Temporary Jobs Program                         | 58,668.13              |                      |                        |                     |                        |                        | 58,668.13              |              |
| Division of Cultural and Historic Affairs:     |                        |                      |                        |                     |                        |                        |                        |              |
| Local History Program Grant 2018               |                        |                      | 1,057.66               | 1,057.66            | 1,995.00               | \$ 120.32              |                        |              |
| Local Arts Grant 2018                          |                        |                      | 1,500.00               | 750.00              | 2,250.00               |                        |                        |              |
|  | <u>1,579,123.83</u>    | <u>105,706.25</u>    | <u>49,579.66</u>       | <u>19,372.66</u>    | <u>428,663.84</u>      | <u>120.32</u>          | <u>1,324,998.24</u>    |              |
|  | <u>\$ 5,579,034.41</u> | <u>\$ 448,376.58</u> | <u>\$ 2,424,359.14</u> | <u>\$ 23,372.66</u> | <u>\$ 1,832,667.15</u> | <u>\$ 1,442,692.04</u> | <u>\$ 5,199,783.60</u> |              |
| Ref.   | A                      | A                    | A-3a, A-36             | A-3a, A-36          | A-36                   | A                      | A                      |              |

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

A-38

SCHEDULE OF GROUND LEASE RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2018

|   | <u>Ref.</u> |                      |
|---|-------------|----------------------|
| Balance, December 31, 2017                                    | A           | \$ 904,890.52        |
| Increased by:   |             |                      |
| Interest Due on Tony Galento<br>Plaza Transit Village Project | Reserve     | <u>9,048.91</u>      |
| Balance, December 31, 2018                                    | A           | <u>\$ 913,939.43</u> |

A-39

SCHEDULE OF REFUNDABLE DEPOSITS  
FOR THE YEAR ENDED DECEMBER 31, 2018

|                                    |     |                      |
|------------------------------------|-----|----------------------|
| Balance, December 31, 2017         | A   | \$ 456,122.34        |
| Increased by:                      |     |                      |
| Deposits from Unsuccessful Bidders | A-6 | <u>302,245.22</u>    |
|                                    |     | 758,367.56           |
| Decreased by:                      |     |                      |
| Cash Disbursements                 | A-4 | <u>456,122.34</u>    |
| Balance, December 31, 2018         | A   | <u>\$ 302,245.22</u> |



CITY OF ORANGE TOWNSHIP  
TRUST FUND

CASH RECEIPTS AND DISBURSEMENTS - TREASURER  
YEAR ENDED DECEMBER 31, 2018

B-1

|  | <u>Ref.</u> | <u>Animal<br/>Control Fund</u> | <u>General<br/>Trust Fund</u> | <u>Municipal Insurance<br/>Trust Fund</u> | <u>Grant<br/>Trust Fund</u> |
|--|-------------|--------------------------------|-------------------------------|---|-----------------------------|
| Balance, December 31, 2017                                 | B           | \$ 16,541.98                   | \$ 5,054,467.38               | \$ 154,680.17                             | \$ 88,703.90                |
| Increased by:  |             |                                |                               |   |                             |
| Interfunds   | B-6, B-12   |                                | 5,921,188.72                  | 60,121.62                                 | 700,543.58                  |
| State Animal Licenses                                      | B-7         | 562.80                         |                               |   |                             |
| Reserve for Other Expenditures                             | B-8         |                                | 991,000.78                    |   |                             |
| Reserve for Other Deposits                                 | B-9         |                                | 2,973,644.93                  |   |                             |
| Premium on Tax Sale  | B-11        |                                | 757,900.00                    |   |                             |
| Reserve for SUI  | B-10        |                                | 50,008.23                     |   |                             |
| Reserve for Animal Control Trust Fund<br>Expenditures:     |             |                                |                               |   |                             |
| License Fees   | B-14        | 2,116.20                       |                               |   |                             |
| Reserve for Payroll Deductions Payable                     | B-18        |                                | 38,343,463.03                 |   |                             |
| Reserve for Municipal Insurance Trust<br>Fund Expenditures | B-15        |                                |                               | 60,218.52                                 |                             |
|  |             | <u>2,679.00</u>                | <u>49,037,205.69</u>          | <u>120,340.14</u>                         | <u>700,543.58</u>           |
|  |             | <u>19,220.98</u>               | <u>54,091,673.07</u>          | <u>275,020.31</u>                         | <u>789,247.48</u>           |
| Decreased by:  |             |                                |                               |   |                             |
| Disbursements  | B-2         | <u>1,137.40</u>                | <u>49,546,150.93</u>          | <u>60,441.52</u>                          | <u>634,309.28</u>           |
| Balance, December 31, 2018                                 | B           | <u>\$ 18,083.58</u>            | <u>\$ 4,545,522.14</u>        | <u>\$ 214,578.79</u>                      | <u>\$ 154,938.20</u>        |

CITY OF ORANGE TOWNSHIP  
TRUST FUND

B-2

CASH - TREASURER  
SCHEDULE OF DISBURSEMENTS  
YEAR ENDED DECEMBER 31, 2018

|   | <u>Ref.</u> | <u>Animal<br/>Control Fund</u> | <u>General<br/>Trust Fund</u> | <u>Municipal Insurance<br/>Trust Fund</u> | <u>Grant<br/>Trust Fund</u> |
|---|-------------|--------------------------------|-------------------------------|---|-----------------------------|
| Interfunds Payable  | B-6, B-12   | \$                             | \$ 5,659,986.30               | \$ 60,098.00                              | \$                          |
| Due to State of New Jersey                                    | B-7         | 1,137.40                       |                               |   |                             |
| Reserve for Other Expenditures                                | B-8         |                                | 980,742.26                    |   |                             |
| Reserve for Other Deposits                                    | B-9         |                                | 3,934,801.83                  |   |                             |
| Reserve for Unemployment                                      | B-10        |                                | 114,910.46                    |   |                             |
| Premium on Tax Sale   | B-11        |                                | 906,900.00                    |   |                             |
| Interfunds Payable  | B-12        |                                |                               |   | 313,096.28                  |
| Reserve for Municipal Insurance Trust<br>Fund Expenditures    | B-15        |                                |                               | 343.52                                    |                             |
| Reserve for Essex County Community<br>Development Block Grant | B-16        |                                |                               |   | 321,213.00                  |
| Reserve for Payroll Fund                                      | B-18        |                                | 37,948,810.08                 |   |                             |
|   | B-1         | <u>\$ 1,137.40</u>             | <u>\$ 49,546,150.93</u>       | <u>\$ 60,441.52</u>                       | <u>\$ 634,309.28</u>        |

CITY OF ORANGE TOWNSHIP  
TRUST FUND

B-3

BANK RECONCILIATIONS  
YEAR ENDED DECEMBER 31, 2018

| <u>Bank Reconciliation December 31, 2018</u>                   | <u>Animal<br/>Control Fund</u> | <u>General<br/>Trust Fund</u> | <u>Municipal Insurance<br/>Trust Fund</u> | <u>Grant<br/>Trust Fund</u> |
|--|--------------------------------|-------------------------------|---|-----------------------------|
| Balance per Bank Statements                                    |                                |                               |   |                             |
| Bank of America, Orange , N.J.                                 |                                |                               |   |                             |
| Balanced Housing   |                                |                               |   | \$ 58,693.06                |
| Other Trust Fund Account - MM                                  |                                | \$ 309,144.36                 |   |                             |
| Other Trust Fund Account                                       |                                | 266,185.44                    |   |                             |
| Salary Account   |                                | 978,261.39                    |   |                             |
| PNC Bank, Orange, N.J.   |                                |                               |   |                             |
| Municipal Insurance Fund Account                               |                                |                               | \$ 154,834.85                             |                             |
| Essex County Community Development Block<br>Grant Fund Account |                                |                               |   | 1,977.36                    |
| Investors' Bank  |                                |                               |   |                             |
| Municipal Insurance Fund Account                               |                                |                               | 59,743.94                                 |                             |
| Essex County Community Development Block<br>Grant Fund Account |                                |                               |   | 158,936.90                  |
| Salary Account   |                                | 55,786.23                     |   |                             |
| Animal Control Trust Fund Account                              | \$18,059.58                    |                               |   |                             |
| Local Law Enforcement Trust Fund Account                       |                                | 70,539.51                     |   |                             |
| Other Trust Fund Account                                       |                                | 2,259,333.90                  |   |                             |
|  | <u>18,059.58</u>               | <u>3,939,250.83</u>           | <u>214,578.79</u>                         | <u>219,607.32</u>           |
| Plus: Deposits In Transit                                      | 24.00                          | 699,958.32                    |   |                             |
|  | <u>18,083.58</u>               | <u>4,639,209.15</u>           | <u>214,578.79</u>                         | <u>219,607.32</u>           |
| Less: Outstanding Checks                                       |                                | 93,687.01                     |   | 64,669.12                   |
|  | <u>\$ 18,083.58</u>            | <u>\$ 4,545,522.14</u>        | <u>\$ 214,578.79</u>                      | <u>\$ 154,938.20</u>        |
| <u>Ref.</u>  | B-1                            | B-1                           | B-1                                       | B-1                         |

CITY OF ORANGE TOWNSHIP  
TRUST FUND

ESSEX COUNTY COMMUNITY DEVELOPMENT BLOCK GRANT RECEIVABLES  
YEAR ENDED DECEMBER 31, 2018

B-4

| <u>Program</u>                           | <u>Balance,</u><br><u>December 31, 2017</u> | <u>Grants</u>        | <u>Collections</u> | <u>Cancelled</u> | <u>Balance,</u><br><u>December 31, 2018</u> |
|--|---|----------------------|--------------------|------------------|---|
| Public Library Boiler Conversion         | \$ 19,100.00                                | \$                   | \$                 | \$               | \$ 19,100.00                                |
|  | <u>19,100.00</u>                            |                      |                    |                  | <u>19,100.00</u>                            |
| High & Alden Park Phase II               | 375,000.00                                  |                      |                    |                  | 375,000.00                                  |
| High /Alden Park Multi-Field Improvement | 28,059.53                                   |                      |                    |                  | 28,059.53                                   |
| Multi Parks Improvements                 | 23,358.44                                   |                      |                    |                  | 23,358.44                                   |
| Central Park Spray and Play              | 250,000.00                                  |                      |                    |                  | 250,000.00                                  |
| Colgate Park Skate Facility              | 225,400.00                                  |                      |                    |                  | 225,400.00                                  |
| High & Alden Park Restroom               |   | 120,000.00           |                    |                  | 120,000.00                                  |
| Expansion of Colgate Park Skate Facility |   | 150,000.00           |                    |                  | 150,000.00                                  |
| Main Street Counseling Center            |   | 45,000.00            |                    |                  | 45,000.00                                   |
|  | <u>901,817.97</u>                           | <u>315,000.00</u>    | <u>-</u>           | <u>-</u>         | <u>1,216,817.97</u>                         |
|  | <u>\$ 920,917.97</u>                        | <u>\$ 315,000.00</u> | <u>\$ -</u>        | <u>\$ -</u>      | <u>\$ 1,235,917.97</u>                      |
| <u>Ref</u>                               | B   | B-16                 | B-1                | B-12             | B   |

CITY OF ORANGE TOWNSHIP  
TRUST FUND

B-5

ACCOUNTS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2018

|                                     | <u>Ref.</u> |                    |
|-------------------------------------|-------------|--------------------|
| Balance, December 31, 2018 and 2017 | B           | <u>\$ 4,434.37</u> |

CITY OF ORANGE TOWNSHIP  
TRUST FUND

B-6

INTERFUNDS RECEIVABLE/(PAYABLE)  
YEAR ENDED DECEMBER 31, 2018

|                            | Ref. | Total General<br>Trust Fund | General Trust Fund    |                         |                      | CDBG                 |
|----------------------------|------|-----------------------------|-----------------------|-------------------------|----------------------|----------------------|
|                            |      |                             | Current<br>Fund       | Water<br>Operating Fund | Payroll<br>Account   |                      |
| Balance, December 31, 2017 | B    | \$ 627,716.91               | \$ 627,404.37         | \$ -                    | \$ 312.54            | \$                   |
| Increased by:              |      |                             |                       |                         |                      |                      |
| Interfund Advances         | B-2  | <u>5,659,986.30</u>         | <u>3,239,723.79</u>   | <u>257,359.62</u>       | <u>1,862,902.89</u>  | <u>300,000.00</u>    |
|                            |      | <u>5,659,986.30</u>         | <u>3,239,723.79</u>   | <u>257,359.62</u>       | <u>1,862,902.89</u>  | <u>300,000.00</u>    |
| Decreased by :             |      |                             |                       |                         |                      |                      |
| Interfund Returns          | B-1  | <u>5,921,188.72</u>         | <u>3,905,108.78</u>   | <u>259,749.43</u>       | <u>1,756,330.51</u>  | <u></u>              |
|                            |      | <u>5,921,188.72</u>         | <u>3,905,108.78</u>   | <u>259,749.43</u>       | <u>1,756,330.51</u>  | <u></u>              |
| Balance, December 31, 2018 | B    | \$ 406,884.92               |                       |                         | <u>\$ 106,884.92</u> | <u>\$ 300,000.00</u> |
| (Payable)                  | B    | <u>\$ (40,370.43)</u>       | <u>\$ (37,980.62)</u> | <u>\$ (2,389.81)</u>    |                      |                      |

CITY OF ORANGE TOWNSHIP  
ANIMAL CONTROL FUND

DUE TO STATE OF NEW JERSEY  
YEAR ENDED DECEMBER 31, 2018

B-7

|                            | <u>Ref.</u> |                        |
|----------------------------|-------------|------------------------|
| Balance, December 31, 2017 | B           | \$ 590.20              |
| Increased by:              |             |                        |
| State Registration Fees    | B-1         | <u>562.80</u>          |
|                            |             | 1,153.00               |
| Decreased by:              |             |                        |
| Payment to the State       | B-2         | <u>1,137.40</u>        |
| Balance, December 31, 2018 | B           | <u><u>\$ 15.60</u></u> |

CITY OF ORANGE TOWNSHIP  
TRUST FUND

RESERVE FOR OTHER EXPENDITURES  
YEAR ENDED DECEMBER 31, 2018

B-8

|                                   | Balance<br>December 31, 2017 |                      |                      |                    | Balance<br>December 31, 2018 |                     |
|-----------------------------------|------------------------------|----------------------|----------------------|--------------------|------------------------------|---------------------|
|                                   | <u>Reserve</u>               | <u>Increases</u>     | <u>Decreases</u>     | <u>Adjustment</u>  | <u>Reserve</u>               | <u>Encumbrances</u> |
| Municipal Court Parking Offenses  |                              |                      |                      |                    |                              |                     |
| Adjudication Act                  | \$ 210,785.36                | \$ 26,694.00         | \$ 51,905.52         | \$                 | \$ 184,646.74                | \$ 927.10           |
| Court State DWI Fund              | 2,632.43                     |                      |                      |                    | 2,632.43                     |                     |
| Public Defender Fees              | 47,881.00                    | 3,760.00             |                      |                    | 51,641.00                    |                     |
| Fire Code Dedicated Penalties     | 262,926.69                   | 111,804.00           | 64,412.98            | 5,258.18           | 275,668.92                   | 39,906.97           |
| Recreation/Community Service      | 58,022.05                    | 67,920.50            | 44,346.25            |                    | 57,184.96                    | 24,411.34           |
| Snow Removal                      | 27,134.38                    |                      | 27,110.93            |                    | 23.45                        |                     |
| Off - Duty Police                 | 218,887.43                   | 703,887.69           | 792,966.58           |                    | 129,808.54                   |                     |
| Affordable Housing - RCA Deposits | 132,798.60                   | 76,934.55            |                      |                    | 209,733.15                   |                     |
| Demolition Trust                  | 76,855.00                    |                      |                      |                    | 76,855.00                    |                     |
|                                   | <u>\$ 1,037,922.94</u>       | <u>\$ 991,000.74</u> | <u>\$ 980,742.26</u> | <u>\$ 5,258.18</u> | <u>\$ 988,194.19</u>         | <u>\$ 65,245.41</u> |
| <u>Ref.</u>                       | B                            | B-1                  | B-2                  | B-19               | B                            | B, B-19             |



CITY OF ORANGE TOWNSHIP  
TRUST FUND

B-9

RESERVE FOR OTHER DEPOSITS  
YEAR ENDED DECEMBER 31, 2018

|  | <u>Balance</u><br><u>December 31, 2017</u> |    | <u>Increases</u>    |    | <u>Decreases</u>    | <u>Balance</u><br><u>December 31, 2018</u> |                      |
|--|--|----|---------------------|----|---------------------|--|----------------------|
|  | <u>Reserve</u>                             |    |                     |    |                     | <u>Reserve</u>                             | <u>Encumbrances</u>  |
| Street Opening Deposits                | \$ 73,386.25                               | \$ | 57,914.70           | \$ | 19,225.75           | \$ 85,279.35                               | \$ 26,795.85         |
| Planning Board Escrow Deposits         | 58,639.00                                  |    | 69,743.76           |    | 65,866.77           | 54,864.96                                  | 7,651.03             |
| Zoning Board Escrow Deposits           | 106,387.93                                 |    | 8,868.75            |    | 16,700.23           | 96,674.54                                  | 1,881.91             |
| Central Valley Planning Division Depos | 49,942.33                                  |    | 70,817.50           |    | 78,615.83           | 35,296.50                                  | 6,847.50             |
| Fire LEA Rebates                       | 6,372.55                                   |    | 3,860.00            |    | 5,952.70            | 3,507.89                                   | 771.96               |
| Third Party Building Fees              | 9,043.52                                   |    |                     |    |                     | 9,043.52                                   |                      |
| Elevator Inspection Fees               | 38,325.92                                  |    | 25,640.00           |    | 39,959.00           | 22,258.92                                  | 1,748.00             |
| Plumbing Inspection Fees               | 57,602.54                                  |    |                     |    |                     | 57,602.54                                  |                      |
| Electrical Inspection Fees             | 58,799.18                                  |    |                     |    |                     | 58,799.18                                  |                      |
| Special Law Enforcement Fund           | 209,993.70                                 |    | 1,004.70            |    | 140,458.89          | 70,539.51                                  |                      |
| Federal Forfeited Property             | 2,274.06                                   |    | 2,963.00            |    |                     | 5,237.06                                   |                      |
| Third Party Tax Redemptions            | 1,691,469.12                               |    | 2,090,600.96        |    | 2,910,783.66        | 142,782.79                                 | 728,503.63           |
| Rental Housing Inspection Fees         | 76,368.00                                  |    |                     |    |                     | 76,368.00                                  |                      |
| Fishing Permits                        | 1,090.00                                   |    |                     |    |                     | 1,090.00                                   |                      |
| City Construction Code Fees            | 44,267.00                                  |    | 598,483.00          |    | 630,000.00          | 12,750.00                                  |                      |
| Donations - Disaster Relief Fund       | 500.00                                     |    | 400.00              |    |                     | 900.00                                     |                      |
| DCA Fees                               | 26,412.00                                  |    | 24,524.00           |    | 27,239.00           | 23,697.00                                  |                      |
| Planning Board Escrow Maintenance      | 18,824.56                                  |    | 18,824.56           |    |                     | 824.56                                     | 18,000.00            |
|  | <u>\$ 2,510,873.10</u>                     | \$ | <u>2,973,644.93</u> | \$ | <u>3,934,801.83</u> | <u>\$ 757,516.32</u>                       | <u>\$ 792,199.88</u> |
| <u>Ref.</u>                            | B  |    | B-1                 |    | B-2                 | B  | B, B-19              |

CITY OF ORANGE TOWNSHIP  
TRUST FUND

RESERVE FOR NEW JERSEY UNEMPLOYMENT  
YEAR ENDED DECEMBER 31, 2018

B-10

|                            | <u>Ref.</u> |                            |
|----------------------------|-------------|----------------------------|
| Balance, December 31, 2017 | B           | \$ 96,698.74               |
| Inreased by:               |             |                            |
| Cash Receipts              | B-1         | <u>50,008.23</u>           |
|                            |             | 146,706.97                 |
| Decreased by:              |             |                            |
| Cash Disbursements         | B-2         | <u>114,910.46</u>          |
| Balance, December 31, 2018 | B           | <u><u>\$ 31,796.51</u></u> |

CITY OF ORANGE TOWNSHIP  
TRUST FUND

B-11

PREMIUM ON TAX SALE  
YEAR ENDED DECEMBER 31, 2018

|                             | <u>Ref.</u> |                               |
|-----------------------------|-------------|-------------------------------|
| Balance, December 31, 2017: | B           | \$ 1,352,112.46               |
| Increased by:               |             |                               |
| Collections                 | B-1         | <u>757,900.00</u>             |
|                             |             | 2,110,012.46                  |
| Decreased by:               |             |                               |
| Redemptions                 | B-2         | <u>906,900.00</u>             |
| Balance, December 31, 2018  | B           | <u><u>\$ 1,203,112.46</u></u> |

CITY OF ORANGE TOWNSHIP  
GRANT TRUST FUND

B-12

INTERFUNDS  
YEAR ENDED DECEMBER 31, 2018

|                                      | Ref. | Municipal<br>Insurance | CDBG              |                             |
|--------------------------------------|------|------------------------|-------------------|-----------------------------|
|                                      |      |                        | Current           | Trust                       |
| Balance, December 31, 2017 (Payable) | B    | \$ (3.25)              | \$87,428.70       | \$                          |
| Increased by:                        |      |                        |                   |                             |
| Cash Disbursed                       | B-2  | <u>60,098.00</u>       | <u>313,096.28</u> | <u>                    </u> |
|                                      |      | 60,094.75              | 400,524.98        | -                           |
| Decreased by:                        |      |                        |                   |                             |
| Cash Receipts                        | B-1  | <u>60,121.62</u>       | <u>400,543.58</u> | <u>300,000.00</u>           |
| Balance, December 31, 2018 (Payable) | B    | <u>\$ (26.87)</u>      | <u>\$ (18.60)</u> | <u>\$ (300,000.00)</u>      |

CITY OF ORANGE TOWNSHIP  
TRUST FUND

B-13

RESERVE FOR REHABILITATION REFUNDS  
GRANT TRUST FUND  
YEAR ENDED DECEMBER 31, 2018

|                                     | <u>Ref.</u> |                    |
|-------------------------------------|-------------|--------------------|
| Balance, December 31, 2018 and 2017 | B           | <u>\$ 1,659.05</u> |

CITY OF ORANGE TOWNSHIP  
TRUST FUND

B-14

RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES  
YEAR ENDED DECEMBER 31, 2018

|                            | <u>Ref.</u> |                     |
|----------------------------|-------------|---------------------|
| Balance, December 31, 2017 | B           | \$ 15,951.78        |
| Increased by:              |             |                     |
| Collections:               |             |                     |
| Dog and Cat License Fees   | B-1         | <u>2,116.20</u>     |
| Balance, December 31, 2018 | B           | <u>\$ 18,067.98</u> |

CITY OF ORANGE TOWNSHIP  
TRUST FUND

RESERVE FOR MUNICIPAL INSURANCE  
TRUST FUND EXPENDITURES  
YEAR ENDED DECEMBER 31, 2018

B-15

|                            | <u>Ref.</u> |                             |
|----------------------------|-------------|-----------------------------|
| Balance, December 31, 2017 | B           | \$ 154,676.92               |
| Increased by:              |             |                             |
| Cash Receipts              | B-1         | <u>60,218.52</u>            |
|                            |             | 214,895.44                  |
| Decreased by:              |             |                             |
| Cash Disbursements         | B-2         | <u>343.52</u>               |
| Balance, December 31, 2018 | B           | <u><u>\$ 214,551.92</u></u> |

CITY OF ORANGE TOWNSHIP  
TRUST FUND

RESERVE FOR ESSEX COUNTY COMMUNITY DEVELOPMENT BLOCK GRANT  
YEAR ENDED DECEMBER 31, 2018

B-16

| <u>Program</u>                                 | <u>Balance,</u><br><u>December 31, 2017</u> |                    | <u>Grants</u>        | <u>Expended</u>      | <u>Cancelled</u> | <u>Balance,</u><br><u>December 31, 2018</u> |                    |
|--|---|--------------------|----------------------|----------------------|------------------|---|--------------------|
|  | <u>Appropriated</u>                         | <u>Encumbered</u>  |                      |                      |                  | <u>Appropriated</u>                         | <u>Encumbered</u>  |
| Public Library Boiler Conversion               | \$ 35,000.00                                | \$                 | \$                   | \$                   | \$               | \$ 35,000.00                                | \$                 |
|  | <u>35,000.00</u>                            |                    |                      |                      |                  | <u>35,000.00</u>                            |                    |
| High & Alden Park Phase II                     | 375,000.00                                  |                    |                      | 321,213.00           |                  | 53,787.00                                   |                    |
| High/Alden Street Park Multi-Field Improvemens | 19,228.35                                   | 8,831.18           |                      |                      |                  | 19,228.35                                   | 8,831.18           |
| Central Park Baseball Field                    | 47,900.00                                   |                    |                      |                      |                  | 47,900.00                                   |                    |
| Colgate Park Reconstruction                    | 11,387.38                                   |                    |                      |                      |                  | 11,387.38                                   |                    |
| Alden Street Park Irrigation System            | 11,970.72                                   |                    |                      |                      |                  | 11,970.72                                   |                    |
| Central Park Spray and Play                    | 250,000.00                                  |                    |                      |                      |                  | 250,000.00                                  |                    |
| Colgate Park Skate Facility                    | 225,400.00                                  |                    |                      |                      |                  | 225,400.00                                  |                    |
| High & Alden Park Restroom                     |   |                    | 120,000.00           |                      |                  | 120,000.00                                  |                    |
| Expansion of Colgate Park Skate Facility       |   |                    | 150,000.00           |                      |                  | 150,000.00                                  |                    |
| Main Street Counseling Center                  |   |                    | 45,000.00            |                      |                  | 45,000.00                                   |                    |
|  | <u>940,886.45</u>                           | <u>8,831.18</u>    | <u>315,000.00</u>    | <u>321,213.00</u>    | <u>-</u>         | <u>934,673.45</u>                           | <u>8,831.18</u>    |
|  | <u>\$ 975,886.45</u>                        | <u>\$ 8,831.18</u> | <u>\$ 315,000.00</u> | <u>\$ 321,213.00</u> | <u>\$ -</u>      | <u>\$ 969,673.45</u>                        | <u>\$ 8,831.18</u> |
| <u>Ref.</u>                                    | B   | B                  | B-4                  | B-2                  |                  | B   | B                  |



CITY OF ORANGE TOWNSHIP  
TRUST FUND

RESERVE FOR OTHER GRANT FUND EXPENDITURES  
YEAR ENDED DECEMBER 31, 2018

B-17

| <u>Program</u><br><u>Year</u> | <u>Program</u>                   | Balance,<br><u>December 31, 2017</u> | Balance,<br><u>December 31, 2018</u> |
|-------------------------------|----------------------------------|--------------------------------------|--------------------------------------|
|                               | Urban Development Action Grant:  |                                      |                                      |
|                               | Program Income                   | \$ 53,652.37                         | \$ 53,652.37                         |
|                               | Balanced Housing Project:        |                                      |                                      |
| 1990                          | Supplemental Balanced Housing    | 36,578.52                            | 36,578.52                            |
| 1998                          | Garcia Homes                     | 19,500.00                            | 19,500.00                            |
| 2000                          | East Ward Operation Neighborhood | 943.00                               | 943.00                               |
|                               |                                  | 57,021.52                            | 57,021.52                            |
|                               |                                  | \$ 110,673.89                        | \$ 110,673.89                        |
|                               | <u>Ref.</u>                      | B                                    | B                                    |

CITY OF ORANGE TOWNSHIP  
TRUST FUND

RESERVE FOR SALARY ACCOUNT  
YEAR ENDED DECEMBER 31, 2018

B-18

|                            | <u>Ref.</u> |                               |
|----------------------------|-------------|-------------------------------|
| Balance, December 31, 2017 | B           | \$ 683,753.24                 |
| Increased by:              |             |                               |
| Cash Receipts              | B-1         | <u>38,343,463.03</u>          |
|                            |             | 39,027,216.27                 |
| Decreased by:              |             |                               |
| Cash Disbursements         | B-2         | <u>37,948,810.08</u>          |
| Balance, December 31, 2018 | B           | <u><u>\$ 1,078,406.19</u></u> |

CITY OF ORANGE TOWNSHIP  
TRUST FUND

ENCUMBRANCES  
YEAR ENDED DECEMBER 31, 2018

B-19

|                            | <u>Ref.</u> |    |            |
|----------------------------|-------------|----|------------|
| Balance, December 31, 2017 | B           | \$ | 5,258.18   |
| Increased by:              |             |    |            |
| Encumbered Other Reserves  | B-8         | \$ | 65,245.41  |
| Encumbered Other Deposits  | B-9         |    | 792,199.88 |
|                            |             |    | 857,445.29 |
|                            |             |    | 862,703.47 |
| Decreased By:              |             |    |            |
| Cancelled                  | B-8         |    | 5,258.18   |
| Balance, December 31, 2018 | B           | \$ | 857,445.29 |

CITY OF ORANGE TOWNSHIP  
GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2018

C-2

|                             | <u>Ref.</u> |                      |                               |
|-----------------------------|-------------|----------------------|-------------------------------|
| Balance, December 31, 2017  | C           |                      | \$ 3,549,948.57               |
| Increased by Receipts:      |             |                      |                               |
| Premium on Sale of Notes    | C-1         | \$ 16,175.00         |                               |
| Refunds                     | C-8         | 2,598,929.50         |                               |
| Interfund Payable           | C-14        | 800,000.00           |                               |
| Loan Receivable             | C-5         | 46,310.00            |                               |
| Interfunds                  | C-14        | <u>16,088,556.95</u> |                               |
|                             |             |                      | <u>19,549,971.45</u>          |
|                             |             |                      | <u>23,099,920.02</u>          |
| Decreased by Disbursements: |             |                      |                               |
| Interfunds                  | C-14        | 15,037,697.20        |                               |
| Promissory Notes            | C-20        | 3,744,000.00         |                               |
| Encumbrances                | C-12        | <u>1,809,397.13</u>  |                               |
|                             |             |                      | <u>20,591,094.33</u>          |
| Balance, December 31, 2018  | C           |                      | <u><u>\$ 2,508,825.69</u></u> |

CITY OF ORANGE TOWNSHIP  
GENERAL CAPITAL FUND

ANAYSIS OF CASH  
FOR THE YEAR ENDED DECEMBER 31, 2018

C-3

|  | Balance<br>December 31, 2017 | Receipts                | Disbursements           | To                     | From                   | Balance<br>December 31, 2018 |
|--|------------------------------|-------------------------|-------------------------|------------------------|------------------------|------------------------------|
| Fund Balance                             | \$ 478,899.26                | \$ 16,175.00            | \$                      | \$                     | \$ 400,000.00          | \$ 95,074.26                 |
| Capital Improvement Fund                 | 751,779.61                   |                         |                         |                        | 143,000.00             | 608,779.61                   |
| Ordinance 39-87                          | 169.76                       |                         |                         |                        |                        | 169.76                       |
| Ordinance 26-97                          | 8,990.74                     |                         |                         |                        |                        | 8,990.74                     |
| Ordinance 10-98                          | 119,712.86                   | 800,000.00              |                         |                        | 919,712.86             |                              |
| Ordinance 8-02                           | 1,569.93                     |                         |                         |                        |                        | 1,569.93                     |
| Ordinance 13-02                          | 669.89                       |                         |                         |                        |                        | 669.89                       |
| Ordinance 5-05                           | (439,402.76)                 |                         |                         |                        |                        | (439,402.76)                 |
| Ordinance 28-05                          | 213,355.07                   |                         |                         |                        | 55,218.59              | 158,136.48                   |
| Ordinance 41-05                          | 596.46                       |                         |                         |                        |                        | 596.46                       |
| Various Capital Improvement 09-14        | 793,258.47                   |                         |                         |                        | 600,221.44             | 193,037.03                   |
| School Improvements, Demolition and Lots | 1,194,000.00                 | 1,798,929.50            | 2,944,000.00            |                        | 48,929.50              |                              |
| Unallocated Difference                   | (0.49)                       |                         |                         |                        |                        | (0.49)                       |
| Ordinance 42-13                          | 151,921.62                   |                         |                         |                        | 53,940.51              | 97,981.11                    |
| Renovation of 425 Main Street            |                              |                         |                         | 143,000.00             |                        | 143,000.00                   |
| 2018 Road Paving Project                 |                              |                         |                         |                        | 334,000.00             | (334,000.00)                 |
| Various Capital Improvements             |                              |                         |                         | 400,000.00             | 274,823.21             | 125,176.79                   |
| Interfunds (Receivable) Payable          | (200,073.35)                 | 16,088,556.95           | 15,037,697.20           | 919,712.86             | 17,000.00              | 1,753,499.26                 |
| Loan Receivable                          | (94,585.89)                  | 46,310.00               |                         | 17,000.00              |                        | (31,275.89)                  |
| Encumbrances Payable                     | 485,935.65                   |                         | 1,809,397.13            | 1,367,133.25           |                        | 43,671.77                    |
| Debt Service Reserve                     | 4,225.00                     |                         |                         |                        |                        | 4,225.00                     |
| Grants Receivable                        | 17,750.00                    |                         |                         |                        |                        | 17,750.00                    |
| Reserve for Loan Proceeds                | 61,176.74                    |                         |                         |                        |                        | 61,176.74                    |
|  | <u>\$ 3,549,948.57</u>       | <u>\$ 18,749,971.45</u> | <u>\$ 19,791,094.33</u> | <u>\$ 2,846,846.11</u> | <u>\$ 2,846,846.11</u> | <u>\$ 2,508,825.69</u>       |

Ref.

C

C

CITY OF ORANGE TOWNSHIP  
GENERAL CAPITAL FUND

C-4

GRANTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2018

| <u>Program</u>   | <u>Ordinance</u> | <u>Balance</u><br><u>December 31, 2018</u> | <u>Balance</u><br><u>December 31, 2017</u> |
|------------------|------------------|--|--|
| Green Trust Loan | #28-05           | \$ 669,581.24                              | \$ 669,581.24                              |
|                  |                  | <u>\$ 669,581.24</u>                       | <u>\$ 669,581.24</u>                       |
|                  | <u>Ref.</u>      | C  | C  |

CITY OF ORANGE TOWNSHIP  
GENERAL CAPITAL FUND

C-5

LOANS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2018

|                                | <u>Ref.</u> |                         |
|--------------------------------|-------------|-------------------------|
| Balance, December 31, 2017     | C           | \$ 94,585.89            |
| Increased by:                  |             |                         |
| Infrastructure Trust Loan      | C-8, C-13   | 10,000,000.00           |
|                                |             | <u>10,094,585.89</u>    |
| Decreased by:                  |             |                         |
| Interfund Current              | C-14        | 17,000.00               |
| Cash Receipts                  | C-2         | 46,310.00               |
|                                |             | <u>46,310.00</u>        |
| Balance, December 31, 2018     | C           | <u>\$ 10,031,275.89</u> |
| <br><u>Analysis of Balance</u> |             |                         |
| Ordinance # 13-02              |             | \$ 9,824.89             |
| Infrastructure Trust Loan      |             | 10,000,000.00           |
| Demolition Loan                |             | 21,451.00               |
|                                |             | <u>\$ 10,031,275.89</u> |

CITY OF ORANGE TOWNSHIP  
GENERAL CAPITAL FUND

C-6

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION FUNDED  
FOR THE YEAR ENDED DECEMBER 31, 2018

|  | <u>Ref.</u> |                     |                               |
|--|-------------|---------------------|-------------------------------|
| Balance, December 31, 2017                     | C           |                     | \$ 11,323,982.40              |
| Decreased by:                                  |             |                     |                               |
| <u>2018 Budget Appropriations to Pay Debt:</u> |             |                     |                               |
| N.J. Environmental Infrastructure Trust        |             |                     |                               |
| Loan Payable                                   | C-15        | \$ 90,611.20        |                               |
| Demolition Loan Payable                        | C-19        | 32,500.00           |                               |
| Green Acres Loan:                              |             |                     |                               |
| General  | C-16        | 60,028.87           |                               |
| General Refunding Bonds                        | C-17        | <u>1,303,000.00</u> |                               |
|  |             |                     | <u>1,486,140.07</u>           |
| Balance, December 31, 2018                     | C           |                     | <u><u>\$ 9,837,842.33</u></u> |



CITY OF ORANGE TOWNSHIP  
GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION UNFUNDED  
FOR THE YEAR ENDED DECEMBER 31, 2018

C-7

| Ordinance<br>Number | Improvement Description                                    | Balance,<br>December 31, 2017 | 2018<br>Authorizations | Cancelled              | Decreased by<br>Transferred to<br>Utility Capital | Balance,<br>December 31, 2018 | Excess Funding   | Debt<br>Authorized<br>and Not Issued |
|---------------------|--|-------------------------------|------------------------|------------------------|---|-------------------------------|------------------|--------------------------------------|
| 10-98               | Improvements to Water, Waste Water and Storm Water Systems | \$ 819,246.00                 |                        |                        | \$ 819,246.00                                     |                               |                  |                                      |
| 05-05               | Redevelopment within the City of Orange                    | 1,200,000.00                  |                        |                        |   | \$ 1,200,000.00               |                  | \$ 1,200,000.00                      |
| 33-17               | Improvement to Various School Buildings                    | 2,550,000.00                  |                        | \$ 2,550,000.00        |   |                               |                  |                                      |
| 52-17               | Demolition of Buildings & Expansion of Lots                | 1,194,000.00                  |                        | 1,194,000.00           |   |                               |                  |                                      |
| 51-18               | Renovation of 425 Main Street                              |                               | \$ 2,857,000.00        |                        |   | 2,857,000.00                  |                  | 2,857,000.00                         |
| 59-18               | 377 Crane Street Project                                   |                               | 250,000.00             |                        |   | 250,000.00                    |                  | 250,000.00                           |
| 9-14                | Various Capital Improvements                               |                               |                        |                        |   |                               | \$ 254.00        |                                      |
|                     |  | <u>\$ 5,763,246.00</u>        | <u>\$ 3,107,000.00</u> | <u>\$ 3,744,000.00</u> | <u>\$ 819,246.00</u>                              | <u>\$ 4,307,000.00</u>        | <u>\$ 254.00</u> | <u>\$ 4,307,000.00</u>               |
| <u>Ref.</u>         |  | C                             | C-8, C-18              | C-8                    | C-14  | C                             |                  | C-18                                 |

CITY OF ORANGE TOWNSHIP  
GENERAL CAPITAL FUND

C-8

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
YEAR ENDED DECEMBER 31, 2018

| Improvement Description  | Date     | Ordinance Number | Amount        | Balance December 31, 2017 |                        | 2018 Authorizations     | Adjustments              | Paid or Charged        | Balance December 31, 2018 |                         |
|--|----------|------------------|---------------|---------------------------|------------------------|-------------------------|--------------------------|------------------------|---------------------------|-------------------------|
|  |          |                  |               | Funded                    | Unfunded               |                         |                          |                        | Funded                    | Unfunded                |
| Renovations of City Hall   | 9-01-87  | 39-87            | \$ 300,000.00 | \$ 169.76                 | \$                     | \$                      | \$                       | \$                     | \$ 169.76                 | \$                      |
| Construction of Police Headquarters and Municipal Headquarters                               | 9-04-97  | 26-97            | 5,500,000.00  | 8,990.74                  |                        |                         |                          |                        | 8,990.74                  |                         |
| Improvements to Water, Waste Water and Storm Water Systems                                   | 8-05-98  | 10-98            | 4,915,000.00  | 119,712.86                | 819,246.00             |                         | (938,958.86)             |                        |                           |                         |
| Renovation of 593 Lincoln Avenue   | 6-18-02  | 8-02             | 500,000.00    | 1,569.33                  |                        |                         |                          |                        | 1,569.33                  |                         |
| Demolition of Unsafe Buildings and Structures  | 9-03-02  | 13-02            | 300,000.00    | 669.89                    |                        |                         |                          |                        | 669.89                    |                         |
| Redevelopment Within the City of Orange Orange Township                                      | 4-05-05  | 5-05             | 1,425,000.00  |                           | 760,597.24             |                         |                          |                        |                           | 760,597.24              |
| Acquisition of Property  | 10-04-05 | 28-05            | 1,600,000.00  | 882,936.31                |                        |                         |                          | 55,218.59              | 827,717.72                |                         |
| Multi-Park Projects  | 4-05-05  | 41-05            | 180,000.00    | 596.57                    |                        |                         |                          |                        | 596.57                    |                         |
| Various Capital Improvements   | 06-17-14 | 09-14            | 8,772,000.00  | 793,257.47                |                        |                         |                          | 600,220.44             | 193,037.03                |                         |
| Demolition of Unsafe Buildings and Structures  | 10-1-13  | 42-13            | 325,000.00    | 151,921.62                |                        |                         |                          | 53,940.51              | 97,981.11                 |                         |
| Improvements to and Demolition of Buildings on School Property and Expansion of Parking Lots | 5-16-17  | 52-17            | 1,194,000.00  |                           | 1,194,000.00           |                         | (1,145,070.50)           | 48,929.50              |                           |                         |
| Renovation of 425 Main Street  | 12-4-18  | 51-18            | 3,000,000.00  |                           |                        | 3,000,000.00            |                          |                        | 143,000.00                | 2,857,000.00            |
| 2018 Road Paving Project   | 12-20-18 | 58-18            | 10,000,000.00 |                           |                        | 10,000,000.00           |                          | 334,000.00             |                           | 9,666,000.00            |
| 377 Crane Street Project   | 11-7-18  | 59-18            | 250,000.00    |                           |                        | 250,000.00              |                          |                        |                           | 250,000.00              |
| Various Capital Improvements   | 12-20-18 | 61-18            | 400,000.00    |                           |                        | 400,000.00              |                          | 274,823.21             | 125,176.79                |                         |
|  |          |                  |               | <u>\$ 1,959,824.55</u>    | <u>\$ 2,773,843.24</u> | <u>\$ 13,650,000.00</u> | <u>\$ (2,084,029.36)</u> | <u>\$ 1,367,132.25</u> | <u>\$ 1,398,908.94</u>    | <u>\$ 13,533,597.24</u> |
|  |          | <u>Ref.</u>      |               | C                         | C                      | Below                   | Below                    | C-12                   | C                         | C                       |
| Capital Improvement Fund   |          | C-9              |               |                           |                        | \$ 143,000.00           |                          |                        |                           |                         |
| Fund Balance   |          | C-1              |               |                           |                        | 400,000.00              |                          |                        |                           |                         |
| Loans receivable   |          | C-5              |               |                           |                        | 10,000,000.00           |                          |                        |                           |                         |
| Deferred Charges - Unfunded  |          | C-7              |               |                           |                        | 3,107,000.00            |                          |                        |                           |                         |
|  |          |                  |               |                           |                        | <u>\$ 13,650,000.00</u> |                          |                        |                           |                         |
| Cash Receipts  |          | C-2              |               |                           |                        |                         | \$ 2,598,929.50          |                        |                           |                         |
| Cancelled  |          | C-7, C-20        |               |                           |                        |                         | (3,744,000.00)           |                        |                           |                         |
| Interfund  |          | C-14             |               |                           |                        |                         | (938,958.86)             |                        |                           |                         |
|  |          |                  |               |                           |                        |                         | <u>\$ (2,084,029.36)</u> |                        |                           |                         |

CITY OF ORANGE TOWNSHIP  
GENERAL CAPITAL FUND

C-9

SCHEDULE OF CAPITAL IMPROVEMENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2018

|                            | <u>Ref.</u> |                      |
|----------------------------|-------------|----------------------|
| Balance, December 31, 2017 | C           | \$ 751,779.61        |
| Decreased by:              |             |                      |
| Downpayments on Ordinances | C-8         | <u>143,000.00</u>    |
| Balance, December 31, 2018 | C           | <u>\$ 608,779.61</u> |

CITY OF ORANGE TOWNSHIP  
GENERAL CAPITAL FUND

RESERVE FOR DEBT SERVICE  
FOR THE YEAR ENDED DECEMBER 31, 2018

C-10

|                                     | <u>Ref.</u> |                    |
|-------------------------------------|-------------|--------------------|
| Balance, December 31, 2018 and 2017 | C           | <u>\$ 4,225.00</u> |

RESERVE FOR GRANTS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2018

C-11

|                                     | <u>Ref.</u> |                     |
|-------------------------------------|-------------|---------------------|
| Balance, December 31, 2018 and 2017 |             | <u>\$ 17,750.00</u> |

Program

New Jersey Department of Environment  
Protection:

Green Acres Program:  
Ordinance #28-05

C

\$ 17,750.00

CITY OF ORANGE TOWNSHIP  
GENERAL CAPITAL FUND

ENCUMBRANCES PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2018

C-12

|  | <u>Ref.</u> |                                     |
|--|-------------|-------------------------------------|
| Balance, December 31, 2017                           | C           | \$ 485,936.65                       |
| Increased by:  |             |                                     |
| Improvement Authorizations                           | C-8         | <u>1,367,132.25</u><br>1,853,068.90 |
| Decreased by:  |             |                                     |
| Cash Disbursements for<br>Improvement Authorizations | C-2         | <u>1,809,397.13</u>                 |
| Balance, December 31, 2018                           | C           | <u><u>\$ 43,671.77</u></u>          |
| Analysis:  |             |                                     |
| Improvement Authorizations                           |             | <u><u>\$ 43,671.77</u></u>          |

RESERVE FOR LOAN PROCEEDS  
YEAR ENDED DECEMBER 31, 2018

C-13

|                                     | <u>Ref.</u> |                            |
|-------------------------------------|-------------|----------------------------|
| Balance, December 31, 2018 and 2017 | C           | <u><u>\$ 61,176.74</u></u> |

CITY OF ORANGE TOWNSHIP  
GENERAL CAPITAL FUND

C-14

INTERFUNDS PAYABLE  
YEAR ENDED DECEMBER 31, 2018

|                                       | Ref. | Total                    | Current Fund         | Water/Sewer Utility    |                        |
|---------------------------------------|------|--------------------------|----------------------|------------------------|------------------------|
|                                       |      |                          |                      | Operating Fund         | Capital Fund           |
| Balance, December 31, 2017 (Due from) | C    | \$ 200,073.35            | \$ 200,045.45        | \$ 27.90               | \$                     |
| Increased by:                         |      |                          |                      |                        |                        |
| Loans Receivable                      | C-5  | 17,000.00                | 17,000.00            |                        |                        |
| Deferred Charges                      | C-7  | 819,246.00               |                      |                        | 819,246.00             |
| Cash Disbursement                     | C-2  | <u>15,037,697.20</u>     | <u>14,564,697.20</u> | <u>473,000.00</u>      |                        |
|                                       |      | 15,254,770.55            | 14,781,742.65        | 473,027.90             | 819,246.00             |
| Decreased by:                         |      |                          |                      |                        |                        |
| Cash receipts                         | C-2  | 16,088,556.95            | 14,781,742.65        | 1,306,814.30           |                        |
| Bond Anticipation Notes               | C-18 | 800,000.00               |                      |                        | 800,000.00             |
| Improvement Authorization             | C-7  | 938,958.86               |                      |                        | 938,958.86             |
| Balance, December 31, 2018 (Due to)   | C    | <u>\$ (1,753,499.26)</u> | <u>\$</u>            | <u>\$ (833,786.40)</u> | <u>\$ (919,712.86)</u> |

CITY OF ORANGE TOWNSHIP  
GENERAL CAPITAL FUND

C-15

N.J. ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN PAYABLE  
YEAR ENDED DECEMBER 31, 2018

| Purpose     | Date of Issue | Amount of Original Issue | Maturities of Bonds Outstanding, December 31, 2018 |              | Interest Rate | Balance December 31, 2017 | Decreased           | Balance December 31, 2018 |
|-------------|---------------|--------------------------|--|--------------|---------------|---------------------------|---------------------|---------------------------|
|             |               |                          | Date   | Amount       |               |                           |                     |                           |
| Trust Share | 11/4/1999     | \$ 725,000.00            | 8/1/2019   | \$ 56,966.96 | 5.50%         | \$ 111,966.96             | \$ 55,000.00        | \$ 56,966.96              |
| Fund Share  | 11/4/1999     | 722,686.00               | 8/1/2019   | 38,662.28    |               | 74,273.48                 | 35,611.20           | 38,662.28                 |
|             |               |                          |  |              |               | <u>\$ 186,240.44</u>      | <u>\$ 90,611.20</u> | <u>\$ 95,629.24</u>       |
|             |               |                          |  |              | <u>Ref.</u>   | C                         | C-6                 | C                         |

CITY OF ORANGE TOWNSHIP  
GENERAL CAPITAL FUND

GREEN ACRES TRUST LOAN PAYABLE - GENERAL  
YEAR ENDED DECEMBER 31, 2018

C-16  
Sheet # 1

| Purpose              | Ordinance Number | Amount of Original Issue | Maturities of Bonds Outstanding, December 31, 2018 |             | Interest Rate | Balance December 31, 2017 | Decreased    | Balance December 31, 2018 |
|----------------------|------------------|--------------------------|--|-------------|---------------|---------------------------|--------------|---------------------------|
|                      |                  |                          | Date   | Amount      |               |                           |              |                           |
| Military Commons     |                  | \$ 91,579.10             | 4/25/2019  | \$ 5,008.22 | 2.00%         | \$ 40,678.81              | \$ 10,632.65 | \$ 30,046.16              |
|                      |                  |                          | 10/25/2019   | 5,058.30    | 2.00%         |                           |              |                           |
|                      |                  |                          | 4/25/2020  | 5,108.89    | 2.00%         |                           |              |                           |
|                      |                  |                          | 10/25/2020   | 5,159.98    | 2.00%         |                           |              |                           |
|                      |                  |                          | 4/25/2021  | 5,211.57    | 2.00%         |                           |              |                           |
|                      |                  |                          | 10/25/2021   | 5,263.68    | 2.00%         |                           |              |                           |
| Multi- Parks Project | 30-03            | 250,000.00               | 2/19/2019  | 6,410.26    | *             | 134,615.12                | 12,820.52    | 121,794.60                |
|                      |                  |                          | 8/19/2019  | 6,410.26    | *             |                           |              |                           |
|                      |                  |                          | 2/19/2020  | 6,410.26    | *             |                           |              |                           |
|                      |                  |                          | 8/19/2020  | 6,410.26    | *             |                           |              |                           |
|                      |                  |                          | 2/19/2021  | 6,410.26    | *             |                           |              |                           |
|                      |                  |                          | 8/19/2021  | 6,410.26    | *             |                           |              |                           |
|                      |                  |                          | 2/19/2022  | 6,410.26    | *             |                           |              |                           |
|                      |                  |                          | 8/19/2022  | 6,410.26    | *             |                           |              |                           |
|                      |                  |                          | 2/19/2023  | 6,410.26    | *             |                           |              |                           |
|                      |                  |                          | 8/19/2023  | 6,410.26    | *             |                           |              |                           |
|                      |                  |                          | 2/19/2024  | 6,410.26    | *             |                           |              |                           |
|                      |                  |                          | 8/19/2024  | 6,410.26    | *             |                           |              |                           |
|                      |                  |                          | 2/19/2025  | 6,410.26    | *             |                           |              |                           |
|                      |                  |                          | 8/19/2025  | 6,410.26    | *             |                           |              |                           |
|                      |                  |                          | 2/19/2026  | 6,410.26    | *             |                           |              |                           |
|                      |                  |                          | 8/19/2026  | 6,410.26    | *             |                           |              |                           |
|                      |                  |                          | 2/19/2027  | 6,410.26    | *             |                           |              |                           |
| 8/19/2027            | 6,410.26         | *                        |  |             |               |                           |              |                           |
| 2/19/2028            | 6,409.92         | *                        |  |             |               |                           |              |                           |



CITY OF ORANGE TOWNSHIP  
GENERAL CAPITAL FUND

GREEN ACRES TRUST LOAN PAYABLE - GENERAL  
YEAR ENDED DECEMBER 31, 2018

C-16  
Sheet # 2

| Purpose              | Ordinance Number | Amount of Original Issue | Maturities of Bonds Outstanding, December 31, 2018 |             | Interest Rate | Balance December 31, 2017 | Decreased           | Balance December 31, 2018 |
|----------------------|------------------|--------------------------|--|-------------|---------------|---------------------------|---------------------|---------------------------|
|                      |                  |                          | Date   | Amount      |               |                           |                     |                           |
| Ropes Playground     |                  | \$ 90,000.00             | 6/27/2019  | \$ 2,903.23 | *             |                           |                     |                           |
|                      |                  |                          | 12/27/2019   | 2,903.23    | *             |                           |                     |                           |
|                      |                  |                          | 6/27/2020  | 2,903.23    | *             |                           |                     |                           |
|                      |                  |                          | 12/27/2020   | 2,903.23    | *             |                           |                     |                           |
|                      |                  |                          | 6/27/2021  | 2,903.23    | *             |                           |                     |                           |
|                      |                  |                          | 12/27/2021   | 2,903.23    | *             |                           |                     |                           |
|                      |                  |                          | 6/27/2022  | 2,903.23    | *             |                           |                     |                           |
|                      |                  |                          | 12/27/2022   | 2,903.23    | *             |                           |                     |                           |
|                      |                  |                          | 6/27/2023  | 2,903.23    | *             |                           |                     |                           |
|                      |                  |                          | 12/27/2023   | 2,903.23    | *             |                           |                     |                           |
|                      |                  |                          | 6/27/2024  | 2,903.23    | *             |                           |                     |                           |
|                      |                  |                          | 12/27/2024   | 2,903.23    | *             |                           |                     |                           |
|                      |                  |                          | 6/27/2025  | 2,903.23    | *             |                           |                     |                           |
|                      |                  |                          | 12/27/2025   | 2,903.23    | *             |                           |                     |                           |
|                      |                  |                          | 6/27/2026  | 2,903.23    | *             |                           |                     |                           |
|                      |                  |                          | 12/27/2026   | 2,903.23    | *             |                           |                     |                           |
|                      |                  |                          | 6/27/2027  | 2,903.23    | *             |                           |                     |                           |
|                      |                  |                          | 12/27/2027   | 2,903.23    | *             |                           |                     |                           |
|                      |                  |                          | 6/27/2028  | 2,903.23    | *             | \$ 63,870.93              | \$ 5,806.46         | \$ 58,064.47              |
|                      |                  |                          | 12/27/2028   | 2,903.23    | *             |                           |                     |                           |
| Multi- Parks Project | 30-03            | 600,000.00               | 5/6/19-5/6/33                                      | 15,384.62   | *             | 523,077.10                | 30,769.24           | 492,307.86                |
|                      |                  |                          |  |             |               | <u>\$ 762,241.96</u>      | <u>\$ 60,028.87</u> | <u>\$ 702,213.09</u>      |
|                      |                  |                          | * - Interest free                                  |             |               |                           |                     |                           |
|                      |                  |                          |  |             | <u>Ref.</u>   | C                         | C-6                 | C                         |

CITY OF ORANGE TOWNSHIP  
GENERAL CAPITAL FUND

C-17

GENERAL REFUNDING BONDS  
YEAR ENDED DECEMBER 31, 2018

| Purpose                                | Date of Issue | Amount of Original Issue | Maturities of Bonds Outstanding, December 31, 2018 |               | Interest Rate | Balance December 31, 2017 | Decreased              | Balance December 31, 2018 |
|--|---------------|--------------------------|--|---------------|---------------|---------------------------|------------------------|---------------------------|
|  |               |                          | Date   | Amount        |               |                           |                        |                           |
| <b>General Refunding Bonds</b>         |               |                          |  |               |               |                           |                        |                           |
| Qualified Bond Act<br>(P.L. 1976,C.38) | 4/25/2007     | \$ 3,655,000.00          | 8/1/2019   | \$ 355,000.00 | 3.90%         | \$ 715,000.00             | \$ 360,000.00          | \$ 355,000.00             |
| <b>General Improvement Bonds</b>       |               |                          |  |               |               |                           |                        |                           |
| Qualified Bond Act<br>(P.L. 1976,C.38) | 12/8/2017     | 9,433,000.00             | 12/7/2019  | 945,000.00    | 1.50%         | 9,433,000.00              | 943,000.00             | 8,490,000.00              |
|  |               |                          | 12/7/2020  | 940,000.00    | 2.25%         |                           |                        |                           |
|  |               |                          | 12/7/2021  | 940,000.00    | 2.50%         |                           |                        |                           |
|  |               |                          | 12/7/2022  | 945,000.00    | 4.00%         |                           |                        |                           |
|  |               |                          | 12/7/2023  | 945,000.00    | 4.00%         |                           |                        |                           |
|  |               |                          | 12/7/2024  | 945,000.00    | 4.00%         |                           |                        |                           |
|  |               |                          | 12/7/2025  | 945,000.00    | 4.00%         |                           |                        |                           |
|  |               |                          | 12/7/2026  | 945,000.00    | 4.00%         |                           |                        |                           |
|  |               |                          | 12/7/2027  | 940,000.00    | 3.00%         |                           |                        |                           |
|  |               |                          |  |               |               | <u>\$ 10,148,000.00</u>   | <u>\$ 1,303,000.00</u> | <u>\$ 8,845,000.00</u>    |
|  |               |                          |  |               | <u>Ref.</u>   | C                         | C-6                    | C                         |

CITY OF ORANGE TOWNSHIP  
GENERAL CAPITAL FUND

C-18

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED  
YEAR ENDED DECEMBER 31, 2018

| Ordinance<br>Number | Improvement Description                 | Balance,<br>December 31,<br>2017 | Increase                | Transferred to<br>Utility Capital<br>Fund | Balance,<br>December 31,<br>2018 |
|---------------------|---|----------------------------------|-------------------------|---|----------------------------------|
| 10-98               | Improvements to Water, Waste Water and  | \$ 819,246.00                    | \$                      | \$ 819,246.00                             | \$                               |
| 05-05               | Redevelopment within the City of Orange | 1,200,000.00                     |                         |   | 1,200,000.00                     |
| 51-18               | Renovation of 425 Main Street           |                                  | 2,857,000.00            |   | 2,857,000.00                     |
| 58-18               | 2018 Road Paving Project                |                                  | 10,000,000.00           |   | 10,000,000.00                    |
| 59-18               | 377 Crane Street Project                |                                  | 250,000.00              |   | 250,000.00                       |
|                     |   | <u>\$ 2,019,246.00</u>           | <u>\$ 13,107,000.00</u> | <u>\$ 819,246.00</u>                      | <u>\$ 14,307,000.00</u>          |
|                     | Ref.                                    | C                                |                         |   | C                                |

CITY OF ORANGE TOWNSHIP  
GENERAL CAPITAL FUND

C-19

DEMOLITION LOAN PAYABLE  
YEAR ENDED DECEMBER 31, 2018

| Purpose   | Date of Issue | Amount of Original Issue | Maturities of Bonds Outstanding, December 31, 2018 |              | Interest Rate | Balance December 31, 2017 | Decreased           | Balance December 31, 2018 |
|---|---------------|--------------------------|--|--------------|---------------|---------------------------|---------------------|---------------------------|
|   |               |                          | Date   | Amount       |               |                           |                     |                           |
| Department of Community Affairs<br>Demolition Loan Fund - 2012<br>2012-517-022-8105-001-FCDL-6510 | 3/26/2014     | \$ 325,000.00            | 12/1/2019  | \$ 32,500.00 | 4.00%         | <u>\$ 227,500.00</u>      | <u>\$ 32,500.00</u> | <u>\$ 195,000.00</u>      |
|   |               |                          | 12/1/2020  | 32,500.00    | 4.00%         |                           |                     |                           |
|   |               |                          | 12/1/2021  | 32,500.00    | 4.00%         | C                         | C-6                 | C                         |
|   |               |                          | 12/1/2022  | 32,500.00    | 4.00%         |                           |                     |                           |
|   |               |                          | 12/1/2023  | 32,500.00    | 4.00%         |                           |                     |                           |
|   |               |                          | 12/1/2024  | 32,500.00    | 4.00%         |                           |                     |                           |

CITY OF ORANGE TOWNSHIP  
GENERAL CAPITAL FUND

C-20

SCHEDULE OF SCHOOL PROMISSORY NOTES  
YEAR ENDED DECEMBER 31, 2018

| Ordinance Number | Improvement Description  | Date of Issue of Original Note | Date of Issue | Date of Maturity | Interest Rate | Balance December 31, 2017 | Decreased              | Balance December 31, 2018 |
|------------------|--|--------------------------------|---------------|------------------|---------------|---------------------------|------------------------|---------------------------|
| 33-17            | Improvement of Various School Buildings and Grounds  | 12/8/2017                      |               |                  |               | \$ 2,550,000.00           | \$ 2,550,000.00        | \$                        |
| 52-17            | Improvements to and Demolition of Buildings on School Property and Expansion of Parking Lots | 12/8/2017                      |               |                  |               | 1,194,000.00              | 1,194,000.00           |                           |
|                  |  |                                |               |                  |               | <u>\$ 3,744,000.00</u>    | <u>\$ 3,744,000.00</u> | <u>\$</u>                 |
|                  |  |                                |               |                  | <u>Ref.</u>   | C                         | C-2                    | C                         |

CITY OF ORANGE TOWNSHIP  
WATER AND SEWER UTILITY

D-5

CASH RECEIPTS AND DISBURSEMENTS - TREASURER  
YEAR ENDED DECEMBER 31, 2018

|                            | Ref. | <u>Operating</u>       | <u>Capital</u>       |
|----------------------------|------|------------------------|----------------------|
| Balance, December 31, 2017 | D    | \$ 3,183,976.45        | \$ 862,380.71        |
| Increased By:              |      |                        |                      |
| Collector                  | D-7  | 10,601,462.17          |                      |
| Bond Anticipation Notes    | D-31 |                        | 1,500,000.00         |
| Interfunds Receivable      | D-10 | 602,770.50             |                      |
|                            |      | <u>11,204,232.67</u>   | <u>1,500,000.00</u>  |
|                            |      | <u>14,388,209.12</u>   | <u>2,362,380.71</u>  |
| Decreased By:              |      |                        |                      |
| Budget Appropriation       | D-4  | 8,292,226.89           |                      |
| Appropriation Reserves     | D-16 | 1,572,276.78           |                      |
| Payment of Emergency Note  | D-28 | 930,000.00             |                      |
| Interfunds Receivable      | D-10 | 836,204.11             |                      |
| Encumbrances               | D-30 |                        | 1,592,024.24         |
| Overpayments Refunded      | D-19 | 18,390.77              |                      |
| Accounts Payable           | D-21 | 165,963.60             |                      |
|                            |      | <u>11,815,062.15</u>   | <u>1,592,024.24</u>  |
| Balance, December 31, 2018 | D    | <u>\$ 2,573,146.97</u> | <u>\$ 770,356.47</u> |

CITY OF ORANGE TOWNSHIP  
WATER AND SEWER UTILITY

D-6

BANK RECONCILIATIONS  
DECEMBER 31, 2018

| <u>Bank Reconciliation</u>               | <u>Operating</u>       | <u>Capital</u>       |
|--|------------------------|----------------------|
| Balance per Bank Statements              |                        |                      |
| Bank of America, Orange, N.J.<br>Account | \$ 100,000.00          |                      |
| Investors' Bank<br>Account               | 179,022.72             |                      |
| Account                                  | 1,635,519.70           |                      |
| PNC Bank, Orange, N.J.<br>Account        | 602,861.38             |                      |
| Account                                  |                        | \$ 770,356.47        |
|  | <hr/>                  | <hr/>                |
|  | 2,517,403.80           | 770,356.47           |
| Add: Deposit in Transit                  | 94,713.62              |                      |
| Less: Outstanding Checks                 | 38,970.45              |                      |
|  | <hr/>                  | <hr/>                |
|  | <u>\$ 2,573,146.97</u> | <u>\$ 770,356.47</u> |
| <u>Ref.</u>                              | D-5                    | D-5                  |

CITY OF ORANGE TOWNSHIP  
WATER AND SEWER UTILITY

CASH RECEIPTS AND DISBURSEMENTS  
WATER AND SEWER COLLECTIONS  
YEAR ENDED DECEMBER 31, 2018

D-7

|                              | <u>Ref.</u> |               |
|------------------------------|-------------|---------------|
| Increased by:                |             |               |
| Non-budget Revenue           | D-1         | \$ 8,912.87   |
| Consumer Accounts Receivable | D-11        | 10,578,923.87 |
| Overpayments                 | D-19        | 13,625.43     |
|                              |             | 10,601,462.17 |
| Decreased by:                |             |               |
| Remittances to Treasurer     | D-5         | 10,601,462.17 |
|                              |             | \$            |

CASH - CHANGE FUND  
DECEMBER 31, 2018

D-8

|                                     |   |           |
|-------------------------------------|---|-----------|
| Balance, December 31, 2018 and 2017 | D | \$ 150.00 |
|                                     |   | \$        |



CITY OF ORANGE TOWNSHIP  
WATER AND SEWER UTILITY

D-9

ANALYSIS OF CAPITAL CASH AND INVESTMENTS  
YEAR ENDED DECEMBER 31, 2018

| <u>Ordinance<br/>Number</u> | <u>Balance<br/>December 31, 2017</u> | <u>Receipts</u>        | <u>Disbursements</u>   | <u>Transfers</u>       |                        | <u>Balance<br/>December 31, 2018</u> |
|-----------------------------|--------------------------------------|------------------------|------------------------|------------------------|------------------------|--------------------------------------|
|                             |                                      |                        |                        | <u>From</u>            | <u>To</u>              |                                      |
| 10-98                       |                                      |                        |                        |                        | \$ 919,712.86          | \$ 919,712.86                        |
| 8-08                        | \$ (1,456,258.68)                    | \$ 1,500,000.00        |                        | \$ 37,700.00           |                        | 6,041.32                             |
| 79-17                       | 436,217.87                           |                        |                        | 161,087.29             |                        | 275,130.58                           |
| <u>Other Accounts</u>       |                                      |                        |                        |                        |                        |                                      |
| Encumbrances                | 1,464,144.11                         |                        | \$ 1,592,024.24        |                        | 198,787.29             | 70,907.16                            |
| Interfund                   |                                      |                        |                        | 919,712.86             |                        | (919,712.86)                         |
| Loans Receivable            | (129,947.81)                         |                        |                        |                        |                        | (129,947.81)                         |
| Fund Balance                | 548,225.22                           |                        |                        |                        |                        | 548,225.22                           |
|                             | <u>\$ 862,380.71</u>                 | <u>\$ 1,500,000.00</u> | <u>\$ 1,592,024.24</u> | <u>\$ 1,118,500.15</u> | <u>\$ 1,118,500.15</u> | <u>\$ 770,356.47</u>                 |
| <u>Ref.</u>                 | D                                    |                        |                        |                        |                        | D                                    |

CITY OF ORANGE TOWNSHIP  
WATER AND SEWER UTILITY

D-10

INTERFUNDS RECEIVABLE - WATER OPERATING FUND  
YEAR ENDED DECEMBER 31, 2018

|                            | <u>Ref.</u> |               |
|----------------------------|-------------|---------------|
| Balance, December 31, 2017 | D           | \$ 602,770.50 |
| Increased by:              |             |               |
| Cash Disbursements         | D-5         | 836,204.11    |
|                            |             | 1,438,974.61  |
| Decreased by:              |             |               |
| Cash Receipts              | D-5         | 602,770.50    |
|                            |             | 602,770.50    |
| Balance, December 31, 2018 | D           | \$ 836,204.11 |
| Analysis of Balance:       |             |               |
| Trust Fund                 |             | \$ 2,389.81   |
| Water/Sewer Operating      |             | 833,786.40    |
| Current Fund               |             | 27.90         |
|                            |             | \$ 836,204.11 |

CITY OF ORANGE TOWNSHIP  
WATER AND SEWER UTILITY

CONSUMER ACCOUNTS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2018

D-11

|                            | <u>Ref.</u> |                         |                               |
|----------------------------|-------------|-------------------------|-------------------------------|
| Balance, December 31, 2017 | D           |                         | \$ 1,984,257.75               |
| Increased by:              |             |                         |                               |
| Water and Sewer Billings   | Reserve     |                         | <u>10,755,781.43</u>          |
|                            |             |                         | 12,740,039.18                 |
| Decreased by:              |             |                         |                               |
| Collections                | D-7<br>D-3  | <u>\$ 10,578,923.87</u> | <u>10,578,923.87</u>          |
| Balance, December 31, 2018 | D           |                         | <u><u>\$ 2,161,115.31</u></u> |

WATER AND SEWER LIEN RECEIVABLE  
YEAR ENDED DECEMBER 31, 2018

D-12

|                            | <u>Ref.</u> |  |                            |
|----------------------------|-------------|--|----------------------------|
| Balance, December 31, 2017 | D           |  | \$ 82,455.91               |
| Increased by:              |             |  |                            |
| Additional liens           | Reserve     |  | <u>1,825.42</u>            |
| Balance, December 31, 2018 | D           |  | <u><u>\$ 84,281.33</u></u> |

CITY OF ORANGE TOWNSHIP  
WATER AND SEWER UTILITY

D-13

LOANS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2018

|  | <u>Ref.</u> |                      |
|--|-------------|----------------------|
| Balance, December 31, 2018 and 2017          | D           | <u>\$ 129,947.81</u> |
| <u>Analysis of Balance</u>                   |             |                      |
| N.J. Environmental Infrastructure Trust Loan |             | <u>\$ 129,947.81</u> |

CITY OF ORANGE TOWNSHIP  
WATER AND SEWER UTILITY

FIXED CAPITAL  
DECEMBER 31, 2018 AND 2017

D-14

|  | December 31,<br>2017    | Transferred from<br>Fixed Capital Authorized<br>and Uncompleted | December 31,<br>2018    |
|--|-------------------------|---|-------------------------|
| Water Plant  | \$ 3,015,184.92         | \$  | \$ 3,015,184.92         |
| Filtration Plant   | 176,312.11              |   | 176,312.11              |
| Computer System  | 100,000.00              |   | 100,000.00              |
| New Pumping Plant  | 10,283.17               |   | 10,283.17               |
| Alterations in Pumping Plant   | 106,581.94              |   | 106,581.94              |
| Retainer Wall Construction   | 77,517.70               |   | 77,517.70               |
| Water Meters   | 459,899.65              |   | 459,899.65              |
| Right of Way   | 830.50                  |   | 830.50                  |
| Truck Elevation  | 13,583.51               |   | 13,583.51               |
| Construction of Well House #6 and<br>Underground Service for Well #3 | 73,102.66               |   | 73,102.66               |
| Improvements to Water Supply System                                  | 40,716,297.52           |   | 40,716,297.52           |
|  | <u>\$ 44,739,593.68</u> | <u>\$</u>   | <u>\$ 44,749,593.68</u> |

Ref.

D

D

CITY OF ORANGE TOWNSHIP  
WATER AND SEWER UTILITY

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED  
DECEMBER 31, 2018 AND 2017

D-15

| <u>Ordinance<br/>Number</u> |   | <u>Ordinance</u>               | <u>December 31,<br/>2017</u> | <u>Transferred in</u> | <u>December 31,<br/>2018</u> |
|-----------------------------|---|--------------------------------|------------------------------|-----------------------|------------------------------|
|                             |   | <u>Date</u> <u>Amount</u>      |                              |                       |                              |
| 10-98                       | Improvements to Municipal Water, Wastewater and Storm Water Systems | 8/10/1998      \$ 4,915,000.00 |                              | \$ 938,958.86         | \$ 938,958.86                |
| 79-17                       | Improvement to Water and Sewer System                               | 5/16/2017      2,350,000.00    | <u>\$ 2,350,000.00</u>       |                       | <u>2,350,000.00</u>          |
|                             |   |                                | <u>\$ 2,350,000.00</u>       | <u>\$ 938,958.86</u>  | <u>\$ 3,288,958.86</u>       |
|                             |   | <u>Ref.</u>                    | D                            | D-20                  | D                            |

CITY OF ORANGE TOWNSHIP  
WATER AND SEWER UTILITY

2017 APPROPRIATION RESERVES  
DECEMBER 31, 2018

D-16

|                    | Balance<br>December 31, 2017 |               | Paid or Charged | Unexpended<br>Balance<br>Lapsed |
|--------------------|------------------------------|---------------|-----------------|---------------------------------|
|                    | Encumbered                   | Unencumbered  |                 |                                 |
| <u>Operating</u>   |                              |               |                 |                                 |
| Salaries and Wages |                              | \$ 43,698.50  |                 | \$ 43,698.50                    |
| Other Expenses     | \$ 1,254,420.09              | 607,290.28    | \$ 1,572,276.78 | 289,433.59                      |
|                    | \$ 1,254,420.09              | \$ 650,988.78 | \$ 1,572,276.78 | \$ 333,132.09                   |
| <u>Ref.</u>        | D                            | D             | D-5             | Below                           |
|                    |                              |               | D-1             | \$ 242,953.59                   |
|                    |                              |               | D-21            | 90,178.50                       |
|                    |                              |               |                 | \$ 333,132.09                   |

CITY OF ORANGE TOWNSHIP  
WATER AND SEWER UTILITY - CAPITAL

D-17

SCHEDULE OF INTERFUND RECEIVABLE  
YEAR ENDED DECEMBER 31, 2018

|                            | <u>Ref.</u> | <u>General<br/>Capital<br/>Fund</u> |
|----------------------------|-------------|-------------------------------------|
| Balance, December 31, 2017 |             | \$                                  |
| Increased by:              |             |                                     |
| Transfers in:              |             |                                     |
| Bond Anticipation Notes    | D-31        | \$ 800,000.00                       |
| Reserve for Amortization   | D-22        | <u>119,712.86</u>                   |
| Balance, December 31, 2018 | D           | <u>\$ 919,712.86</u>                |



CITY OF ORANGE TOWNSHIP  
WATER AND SEWER UTILITY

D-18

ACCRUED INTEREST ON BONDS  
YEAR ENDED DECEMBER 31, 2018

|                            | <u>Ref.</u> |                      |
|----------------------------|-------------|----------------------|
| Balance, December 31, 2017 | D           | \$ 127,831.33        |
| Increased by:              |             |                      |
| Budget Appropriations      | D-4         | <u>8,791.37</u>      |
| Balance, December 31, 2018 | D           | <u>\$ 136,622.70</u> |

Analysis of Balance

|                                    |                 |             | <u>Accrued</u> |            |               |                      |
|------------------------------------|-----------------|-------------|----------------|------------|---------------|----------------------|
| <u>Bonds</u>                       | <u>Interest</u> | <u>Rate</u> | <u>From</u>    | <u>To</u>  | <u>Period</u> | <u>Amount</u>        |
| Outstanding<br>December 31, 2018   |                 |             |                |            |               |                      |
| \$ 8,925,000.00                    | 5.00%           |             | 12/1/2018      | 12/31/2018 | 1 month       | 38,890.00            |
| <u>7,735,000.00</u>                | 4.00%           |             | 12/1/2018      | 12/31/2018 | 1 month       | <u>25,783.33</u>     |
| <u>\$ 16,660,000.00</u>            |                 |             |                |            |               | <u>\$ 64,673.33</u>  |
|                                    |                 |             |                |            |               |                      |
| <u>BAN's</u>                       |                 |             |                |            |               |                      |
| Outstanding<br>December 31, 2018   |                 |             |                |            |               |                      |
| \$ 2,300,000.00                    | 3.00%           |             | 12/1/2018      | 12/31/2018 | 1 month       | <u>\$ 5,750.00</u>   |
|                                    |                 |             |                |            |               |                      |
| <u>Infrastructure Loan Payable</u> |                 |             |                |            |               |                      |
| Outstanding<br>December 31, 2018   |                 |             |                |            |               |                      |
| \$ 1,235,000.00                    | 5.00%           |             | 8/1/2018       | 12/31/2018 | 5 months      | \$ 28,026.05         |
| 178,000.00                         | 5.25%           |             | 8/1/2018       | 12/31/2018 | 5 months      | 3,893.75             |
| <u>801,000.00</u>                  | 5.50%           |             | 8/1/2018       | 12/31/2018 | 5 months      | <u>19,291.95</u>     |
| <u>\$ 2,214,000.00</u>             |                 |             |                |            |               | <u>\$ 51,211.75</u>  |
|                                    |                 |             |                |            |               |                      |
| <u>Emergency Note</u>              |                 |             |                |            |               |                      |
| Outstanding<br>December 31, 2018   |                 |             |                |            |               |                      |
| \$ 1,290,000.00                    | 3.00%           |             | 12/1/2018      | 12/31/2018 | 1 month       | <u>\$ 3,225.00</u>   |
|                                    |                 |             |                |            |               | <u>\$ 124,860.08</u> |

The excess has been used to reduce succeeding year budget appropriation.

CITY OF ORANGE TOWNSHIP  
WATER AND SEWER UTILITY

WATER AND SEWER OVERPAYMENTS  
YEAR ENDED DECEMBER 31, 2018

D-19

|                            | <u>Ref.</u> |                             |
|----------------------------|-------------|-----------------------------|
| Balance, December 31, 2017 | D           | \$ 162,041.36               |
| Increased by:              |             |                             |
| Overpayments Collected     | D-7         | <u>13,625.43</u>            |
|                            |             | 175,666.79                  |
| Decreased by:              |             |                             |
| Overpayments Refunded      | D-5         | <u>18,390.77</u>            |
| Balance, December 31, 2018 | D           | <u><u>\$ 157,276.02</u></u> |

CITY OF ORANGE TOWNSHIP  
WATER AND SEWER UTILITY

IMPROVEMENT AUTHORIZATIONS  
YEAR ENDED DECEMBER 31, 2018

D-20

|  | <u>Ordinance</u> |             | <u>December 31, 2017</u> |                      | <u>Transferred in</u> | <u>Contracts Payable</u> | <u>December 31, 2018</u> |                      |                      |
|--|------------------|-------------|--------------------------|----------------------|-----------------------|--------------------------|--------------------------|----------------------|----------------------|
|  | <u>Number</u>    | <u>Date</u> | <u>Amount</u>            | <u>Funded</u>        |                       |                          | <u>Unfunded</u>          | <u>Funded</u>        | <u>Unfunded</u>      |
| Reacquisition of Water and Sewer Franchises and Improvement to Water and Sewer System  | 22-02            | 6/1/2003    | \$ 30,000,000.00         | \$ 436,217.87        |                       | \$ 161,087.29            | \$ 275,130.58            |                      |                      |
| Construction of and Improvements to the City's Mountain Wells, the Chestnut Street Treatment Facilities and High Pump Station. | 8-08             | 6/4/2008    | 9,000,000.00             |                      | \$ 44,022.42          | 37,700.00                |                          | \$ 6,322.42          |                      |
| Improvements to Municipal Water, Wastewater and Storm Water Systems  | 10-98            | 8/10/1998   | 4,915,000.00             |                      | \$ 938,958.86         |                          | 119,712.86               | 819,246.00           |                      |
|  |                  |             |                          | <u>\$ 436,217.87</u> | <u>\$ 44,022.42</u>   | <u>\$ 938,958.86</u>     | <u>\$ 198,787.29</u>     | <u>\$ 394,843.44</u> | <u>\$ 825,568.42</u> |
|  |                  | <u>Ref.</u> |                          | D                    | D                     | D-15                     | D-30                     | D                    | D                    |

CITY OF ORANGE TOWNSHIP  
WATER AND SEWER UTILITY

D-21

STATEMENT OF ACCOUNTS PAYABLE  
YEAR ENDED DECEMBER 31, 2018

|                                       | <u>Ref.</u> |                                |
|---------------------------------------|-------------|--------------------------------|
| Balance, December 31, 2017            | D           | \$ 241,869.40                  |
| Increased by:                         |             |                                |
| Transfers from Appropriation Reserves | D-16        | <u>90,178.50</u><br>332,047.90 |
| Decreased by:                         |             |                                |
| Cash Disbursements                    | D-5         | <u>165,963.60</u>              |
| Balance, December 31, 2018            | D           | <u><u>\$ 166,084.30</u></u>    |

CITY OF ORANGE TOWNSHIP  
WATER AND SEWER UTILITY

RESERVE FOR AMORTIZATION  
YEAR ENDED DECEMBER 31, 2018

D-22

|   | <u>Ref.</u> |                   |                         |
|---|-------------|-------------------|-------------------------|
| Balance, December 31, 2017                  | D           |                   | \$ 15,195,436.33        |
| Increased by:                               |             |                   |                         |
| Bonds paid from Operating Budget            | D-25        | \$ 1,310,000.00   |                         |
| Transferred in                              | D-17        | 119,712.86        |                         |
| New Jersey Environmental Trust Loan Payable | D-24        | <u>378,761.23</u> | <u>1,808,474.09</u>     |
| Balance, December 31, 2018                  | D           |                   | <u>\$ 17,003,910.42</u> |

CITY OF ORANGE TOWNSHIP  
WATER AND SEWER UTILITY

DEFERRED RESERVE FOR AMORTIZATION  
YEAR ENDED DECEMBER 31, 2018

D-23

|                                     | <u>Ref.</u> |                        |
|-------------------------------------|-------------|------------------------|
| Balance, December 31, 2018 and 2017 | D           | <u>\$ 7,912,284.34</u> |

CITY OF ORANGE TOWNSHIP  
WATER AND SEWER UTILITY

N.J. ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN PAYABLE  
YEAR ENDED DECEMBER 31, 2018

| Purpose     | Date of Issue | Amount Of Original Issue | Maturities of Bonds Outstanding December 31, 2018 |               | Interest Rate   | Balance December 31, 2017 | Decrease        | Balance December 31, 2018 |                 |
|-------------|---------------|--------------------------|---|---------------|-----------------|---------------------------|-----------------|---------------------------|-----------------|
|             |               |                          | Date  | Amount        |                 |                           |                 |                           |                 |
| Trust Share | 11/6/2008     | \$ 3,835,000.00          |   |               | 5.00%           |                           |                 |                           |                 |
|             |               | (251,000.00)             | 8/1/2019  | \$ 178,000.00 | 5.25%           |                           |                 |                           |                 |
|             |               | \$ 3,584,000.00          | 8/1/2020  | 187,000.00    | 5.50%           |                           |                 |                           |                 |
|             |               |                          | 8/1/2021  | 195,000.00    | 5.50%           |                           |                 |                           |                 |
|             |               |                          | 8/1/2022  | 203,000.00    | 5.50%           |                           |                 |                           |                 |
|             |               |                          | 8/1/2023  | 216,000.00    | 5.50%           |                           |                 |                           |                 |
|             |               |                          | 8/1/2024  | 224,000.00    | 5.00%           |                           |                 |                           |                 |
|             |               |                          | 8/1/2025  | 237,000.00    | 5.00%           |                           |                 |                           |                 |
|             |               |                          | 8/1/2026  | 246,000.00    | 5.00%           |                           |                 |                           |                 |
|             |               |                          | 8/1/2027  | 258,000.00    | 5.00%           |                           |                 |                           |                 |
|             |               |                          | 8/1/2028  | 270,000.00    | 5.00%           |                           |                 |                           |                 |
|             |               |                          |   |               |                 |                           | \$ 2,399,000.00 | \$ 185,000.00             | \$ 2,214,000.00 |
| Fund Share  | 11/6/2008     | 3,664,719.00             |   |               |                 |                           |                 |                           |                 |
|             |               |                          |   | 2/1/2019      | 38,511.10       | *                         |                 |                           |                 |
|             |               |                          |   | 8/1/2019      | 155,700.86      | *                         |                 |                           |                 |
|             |               |                          |   | 2/1/2020      | 35,434.87       | *                         |                 |                           |                 |
|             |               |                          |   | 8/1/2020      | 158,634.36      | *                         |                 |                           |                 |
|             |               |                          |   | 2/1/2021      | 32,046.89       | *                         |                 |                           |                 |
|             |               |                          |   | 8/1/2021      | 161,256.10      | *                         |                 |                           |                 |
|             |               |                          |   | 2/1/2022      | 28,493.63       | *                         |                 |                           |                 |
|             |               |                          |   | 8/1/2022      | 163,712.58      | *                         |                 |                           |                 |
|             |               |                          |   | 2/1/2023      | 24,775.11       | *                         |                 |                           |                 |
|             |               |                          |   | 8/1/2023      | 169,008.66      | *                         |                 |                           |                 |
|             |               |                          |   | 2/1/2024      | 20,808.69       | *                         |                 |                           |                 |
|             |               |                          |   | 8/1/2024      | 171,051.97      | *                         |                 |                           |                 |
|             |               |                          |   | 2/1/2025      | 17,052.61       | *                         |                 |                           |                 |
|             |               |                          |   | 8/1/2025      | 176,310.48      | *                         |                 |                           |                 |
|             |               |                          |   | 2/1/2026      | 13,071.16       | *                         |                 |                           |                 |
|             |               |                          |   | 8/1/2026      | 178,338.77      | *                         |                 |                           |                 |
|             | 2/1/2027      | 8,939.47                 | *   |               |                 |                           |                 |                           |                 |
|             | 8/1/2027      | 183,221.67               | *   |               |                 |                           |                 |                           |                 |
|             | 2/1/2028      | 4,582.41                 | *   |               |                 |                           |                 |                           |                 |
|             | 8/1/2028      | 187,879.39               | *   |               |                 |                           |                 |                           |                 |
|             |               |                          |   |               | 2,122,592.01    | 193,761.23                | 1,928,830.78    |                           |                 |
|             |               |                          |   |               | \$ 4,521,592.01 | \$ 378,761.23             | \$ 4,142,830.78 |                           |                 |
|             |               |                          |   |               | <u>Ref.</u>     | D                         | D-22            | D                         |                 |

CITY OF ORANGE TOWNSHIP  
WATER AND SEWER UTILITY

D-25

SERIAL BONDS  
YEAR ENDED DECEMBER 31, 2018

| Purpose   | Date of Issue | Amount of Original Issue | Maturities of Bonds Outstanding December 31, 2018 |                 | Interest Rate | Balance December 31, 2017 | Decrease               | Balance December 31, 2018 |
|---|---------------|--------------------------|---|-----------------|---------------|---------------------------|------------------------|---------------------------|
|   |               |                          | Date  | Amount          |               |                           |                        |                           |
| Requisition of Water and Sewer Franchise and Improvement to Water System and Sewer System | 6/1/2003      | \$ 30,000,000.00         | 6/1/2019  | \$ 1,390,000.00 | 5.00%         |                           |                        |                           |
|   |               |                          | 6/1/2020  | 1,470,000.00    | 5.00%         |                           |                        |                           |
|   |               |                          | 6/1/2021  | 1,560,000.00    | 5.00%         |                           |                        |                           |
|   |               |                          | 6/1/2022  | 1,655,000.00    | 5.00%         |                           |                        |                           |
|   |               |                          | 6/1/2023  | 1,750,000.00    | 5.00%         |                           |                        |                           |
|   |               |                          | 6/1/2024  | 1,100,000.00    | 5.00%         |                           |                        |                           |
|   |               |                          | 6/1/2024  | 975,000.00      | 4.00%         |                           |                        |                           |
|   |               |                          | 6/1/2025  | 2,150,000.00    | 4.00%         |                           |                        |                           |
|   |               |                          | 6/1/2026  | 2,250,000.00    | 4.00%         |                           |                        |                           |
|   |               |                          | 6/1/2027  | 2,360,000.00    | 4.00%         |                           |                        |                           |
|   |               |                          |   |                 |               | \$ 17,970,000.00          | \$ 1,310,000.00        | \$ 16,660,000.00          |
|   |               |                          |   |                 |               | <u>\$ 17,970,000.00</u>   | <u>\$ 1,310,000.00</u> | <u>\$ 16,660,000.00</u>   |
|   |               |                          |   |                 | <u>Ref.</u>   | D                         | D-22                   | D                         |



CITY OF ORANGE TOWNSHIP  
WATER AND SEWER UTILITY

RESERVE FOR FUTURE IMPROVEMENTS  
YEAR ENDED DECEMBER 31, 2018

D-26

|                                     | <u>Ref.</u> |                     |
|-------------------------------------|-------------|---------------------|
| Balance, December 31, 2018 and 2017 | D           | <u>\$ 13,349.46</u> |

CITY OF ORANGE TOWNSHIP  
WATER AND SEWER UTILITY

D-27

SCHEDULE OF DEFERRED CHARGES  
YEAR ENDED DECEMBER 31, 2018

|                   | <u>Balance</u><br><u>December 31, 2017</u> | <u>2018</u>          | <u>Raised in</u><br><u>2018 Budget</u> | <u>Adjustment</u> | <u>Balance</u><br><u>December 31, 2018</u> |
|-------------------|--|----------------------|--|-------------------|--|
| Special Emergency | \$ 1,429,297.08                            | \$                   | \$ 430,000.00                          | \$                | \$ 999,297.08                              |
| Overexpenditure   |  | 656.04               |  |                   | 656.04                                     |
| Emergency         | 500,000.00                                 | 102,801.74           | 500,000.00                             |                   | 102,801.74                                 |
|                   | <u>\$ 1,929,297.08</u>                     | <u>\$ 103,457.78</u> | <u>\$ 930,000.00</u>                   | <u>\$</u>         | <u>\$ 1,102,754.86</u>                     |
| <u>Ref.</u>       | D  | D-4                  | D-4                                    |                   | D  |

CITY OF ORANGE TOWNSHIP  
WATER AND SEWER UTILITY

D-28

SCHEDULE OF EMERGENCY NOTES  
YEAR ENDED DECEMBER 31, 2018

| <u>Resolution Number</u> | <u>Improvement Description</u> | <u>Date of Issue of Original Note</u> | <u>Date of Issue</u> | <u>Date of Maturity</u> | <u>Interest Rate</u> | <u>Balance December 31, 2017</u> | <u>Increased</u> | <u>Decreased</u>     | <u>Balance December 31, 2018</u> |
|--------------------------|--------------------------------|---------------------------------------|----------------------|-------------------------|----------------------|----------------------------------|------------------|----------------------|----------------------------------|
| 10-17                    | Emergency Appropriations       | 12/8/2017                             | 12/6/2018            | 12/5/2019               | 3.00%                | \$ 1,720,000.00                  | \$               | \$ 430,000.00        | \$ 1,290,000.00                  |
| 41-17                    | Water Purchases                | 12/28/2017                            |                      |                         |                      | 500,000.00                       |                  | 500,000.00           |                                  |
|                          |                                |                                       |                      |                         |                      | <u>\$ 2,220,000.00</u>           | <u>\$</u>        | <u>\$ 930,000.00</u> | <u>\$ 1,290,000.00</u>           |
|                          |                                |                                       |                      |                         | <u>Ref.</u>          |                                  |                  | D-5                  | D                                |

CITY OF ORANGE TOWNSHIP  
WATER AND SEWER UTILITY

D-29

BONDS AND NOTES AUTHORIZED AND UNISSUED  
YEAR ENDED DECEMBER 31, 2018

|  |       |           | <u>Balance</u><br><u>December 31, 2017</u> | <u>Transferred in</u> | <u>Notes</u><br><u>Issued</u> | <u>Balance</u><br><u>December 31, 2018</u> |
|--|-------|-----------|--|-----------------------|-------------------------------|--|
| Improvements to Municipal Water, Wastewater and Storm Water Systems  | 10-98 | 8/10/1998 |  | \$ 19,246.00          |                               | \$ 19,246.00                               |
| Construction of and Improvements to the City's Mountain Wells, the Chestnut Street Treatment Facilities and High Pump Station. | 8-08  | 6/4/2008  | \$ 1,500,281.00                            |                       | \$ 1,500,000.00               | 281.00                                     |
|  |       |           | <u>\$ 1,500,281.00</u>                     | <u>\$ 19,246.00</u>   | <u>\$ 1,500,000.00</u>        | <u>\$ 19,527.00</u>                        |
|  |       | Ref.      | D  |                       | D-31                          | D  |

CITY OF ORANGE TOWNSHIP  
WATER AND SEWER UTILITY

SCHEDULE OF ENCUMBRANCES  
YEAR ENDED DECEMBER 31, 2018

D-30

|                            | <u>Ref.</u> |                            |
|----------------------------|-------------|----------------------------|
| Balance, December 31, 2017 | D           | \$ 1,464,144.11            |
| Increased by:              |             |                            |
| Improvement Authorizations | D-20        | <u>198,787.29</u>          |
|                            |             | 1,662,931.40               |
| Decreased by:              |             |                            |
| Cash Disbursements         | D-5         | <u>1,592,024.24</u>        |
| Balance, December 31, 2018 | D           | <u><u>\$ 70,907.16</u></u> |

CITY OF ORANGE TOWNSHIP  
UTILITY CAPITAL FUND

D-31

SCHEDULE OF BOND ANTICIPATION NOTES  
YEAR ENDED DECEMBER 31, 2018

| Ordinance<br>Number | Improvement Description                                      | Date of<br>Issue of<br>Original Note | Date of<br>Issue | Date of<br>Maturity | Interest<br>Rate | Balance<br>December 31,<br>2017 | Increased              | Balance<br>December 31,<br>2018 |
|---------------------|--|--------------------------------------|------------------|---------------------|------------------|---------------------------------|------------------------|---------------------------------|
| 10-98               | Improvement to Water, Waste Water and Storm<br>Water Systems | 12/6/2018                            | 12/6/2018        | 12/5/2019           | 3.00%            | \$                              | \$ 800,000.00          | \$ 800,000.00                   |
| 79-17               | Improvement to Water and Sewer System                        | 12/6/2018                            | 12/6/2018        | 12/5/2019           | 3.00%            | <u>\$</u>                       | <u>1,500,000.00</u>    | <u>1,500,000.00</u>             |
|                     |  |                                      |                  |                     |                  | <u>\$</u>                       | <u>\$ 2,300,000.00</u> | <u>\$ 2,300,000.00</u>          |
|                     |  |                                      |                  |                     | <u>Ref.</u>      | D                               | D-5, D-32              | D                               |

**CITY OF ORANGE TOWNSHIP  
ESSEX COUNTY, NEW JERSEY**

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**PART III  
REPORT ON INTERNAL CONTROL AND  
LETTER OF COMMENTS AND RECOMMENDATIONS  
YEAR ENDED DECEMBER 31, 2018**

**Report on Internal Control Over Financial Reporting and on Compliance and Other Matter Based  
on an Audit of Financial Statements Performed in Accordance with *Government Auditing  
Standards***

**Independent Auditors' Report**

**The Honorable Mayor and Members  
of the City Council  
City of Orange Township  
County of Essex  
Orange, New Jersey**

We have audited, in accordance with auditing standards generally accepted in the United States of America; and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division");, the regulatory basis financial statements of the various funds and account Group of the City of Orange Township, Essex County, New Jersey (the "City") as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated August 5, 2019, in which we expressed an adverse opinion on the conformity of the statements with accounting principles generally accepted in the United States of America due to differences between those principles and the accounting practices prescribed by the Division.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City's internal control. Accordingly, we do not express an opinion on the effectiveness of City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings to be material weaknesses: 2018-006, 2018-009 and 2018-010.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings to be significant deficiencies: 2018-001, 2018-002, 2018-003 and 2018-004.

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### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings as items 2018-001 through 2018-013.

### **City's Response to Findings**

City's response to the findings identified in our audit are described in the accompanying Schedule of Findings. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*PKF O'Connor Davies, LLP*

August 5, 2019  
Livingston, New Jersey

*Francis M. McEnerney*

Francis M. McEnerney, CPA  
Licensed Registered Municipal Accountant, No. 539

**City of Orange Township  
Schedule of Findings  
December 31, 2018**

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**Finding No. 2018-001\* - Significant Deficiency**

**Payroll Department**

***Condition***

During the course of our engagement, the following issue was noted in the Payroll Department:

1 out of 25 employees tested received total gross salary in excess of the approved salary range approved by ordinance or collective bargaining agreement.

***Criteria***

The City must establish a system to control payroll within State requirements.

***Cause***

Lack of a system to control payroll and compliance.

***Effect***

Possible violation of State laws.

***Recommendation***

The City should implement procedures so that required documentation is properly reviewed, approved and retained. The City should also ensure that all salaries are covered by either ordinance or collective bargaining agreement.

***Management's Response***

The City will implement procedures in order to ensure that all salaries are properly approved and that documentation is properly retained.

**Finding No. 2018-002\* - Significant Deficiency**

**Purchasing**

***Condition***

During the course of our engagement, the following was noted during the compliance testing of the purchasing cycle over the various funds:

General Purchasing:

3 of 25 purchases reviewed were confirming orders.

The City was not in compliance with New Jersey Local Public Contracts Law.

***Criteria***

The City must implement procedures to address confirming orders.

***Cause***

Lack of adherence to the system in place to control purchasing and cash disbursements.

***Effect***

Violation of State law. Improper purchasing procedures that could have the City overpaying for goods and services.

**City of Orange Township  
Schedule of Findings  
December 31, 2018**

---

***Recommendation***

The City should be in compliance with the New Jersey Local Public Contracts Law.

***Management's Response***

The City will review their policies and procedures pertaining to purchasing.

**Finding No. 2018-003\* - Significant Deficiency**

**Purchasing**

***Condition***

During the course of our engagement, the following was noted during the compliance testing of the bid process of a sample of 10 contracts subject to the bid procurement laws.

***Bid Process***

A contract for \$57,500 for postage at a discount was awarded without adherence to the public bidding procurement requirements.

***Criteria***

Contracts in excess of the bid threshold are subject to the bidding procurement requirements 40A:11.

***Effect***

Failure to follow bid procurement procedures could have the City overpaying for goods and services.

***Recommendation***

The City should adhere to the public bidding procurement requirements.

***Management Response***

The City will be more diligent in the implementation of the bid process.

**Finding No. 2018-004\* - Significant Deficiency**

**Off-Duty**

***Condition***

During the course of our engagement, it was noted that there are 71 accounts with negative balances which reflects off duty police services rendered and paid without the benefit of full payments from the vendors. The negative balance or amounts due from vendors totaled \$433,731.11.

***Criteria***

The City must establish a system of control over police off-duty services billing and collections.

***Cause***

Lack of establishment of a system to control accumulation, billing and collection of vendor charges related to police off-duty services.

***Effect***

The City may be responsible for payments made to officers and not collected from vendors. Receipts from vendors may be diverted from this Trust Fund.

***Recommendation***

The City should provide greater oversight of the Off-Duty Police accounts. Off-duty police officers should not be assigned prior to the collection of advance payments from vendors.

**City of Orange Township  
Schedule of Findings  
December 31, 2018**

---

***Management's Response***

The City will review the current policies and procedures with respect to the collection of funds in advance of the assignment of off-duty police officers.

**Finding No. 2018-005\* - Other Matters**

**PILOT Revenue**

***Condition***

During our PILOT (Payment in Lieu of Taxes) testing, it was noted there were material differences between amounts anticipated and amounts received. Additionally, the five percent portion was not turned over to the County.

***Recommendation***

All PILOT agreements be reviewed to ensure that the appropriate amount of revenue is collected. Also, these agreements should be reviewed on an annual basis for proper compliance. Amounts due to the County should be made.

***Management's Response***

The City is currently reviewing all PILOTS.

**Finding No. 2018-006\* - Material Weakness**

**Journal Entry Authorization**

***Comment***

During our audit, we examined client prepared journal entries for proper posting and approval in the City's general ledger accounting system. We noted all 10 journal entries tested were not authorized and approved by management.

***Cause***

A lack of monitoring of staff by Finance Office management.

***Criteria***

A general ledger should be maintained and where journal entries are required, there should be proper approval of these adjustments.

***Effect***

The general ledger may not be accurate and account balances not be proper.

***Recommendation***

We recommend all journal entries be reviewed and approved by management prior to posting in the general ledger.

***Management's Response***

The City is reviewing their policy on journal entry authorizations and review.

**City of Orange Township  
Schedule of Findings  
December 31, 2018**

---

**Finding No. 2018-007\* – Other Matters  
Status of Grants**

***Comment***

Presently the Grant Fund includes a large number of old grants receivable and reserves. There is also a reserve for an amount of \$580,543 which represents cancellations from prior years.

***Effect***

Costs associated with grants are being paid through the wrong fund. Lack of timely collections of grant receivable will negatively impact the operations of the Current Fund.

***Criteria***

Proper control over grants management should be established and monitored.

***Cause***

A centralized grant management office has not been established and records not maintained.

***Effect***

Expenditures are not being charged to grants on a timely basis. The City is not using available funds for various programs that benefit the people of the City. If funds are expended after the collectability of the grants, the City will have to fund these expenditures.

***Recommendation***

A review should be made of all grants to establish their availability and collectability. Funds should be expended, related receivables collected, or grants should be cancelled.

**Finding No. 2018-008\* – Other Matters  
Cash reconciliations**

***Comment***

It was noted that bank reconciliations were not completed on a timely basis. Subsequent to year-end, reconciliations were revised and additional time was required to finalize. Also, there were many reconciling items and deposits in transit. The major deposits in transit occurred at the year-end due to the volume of material transactions that happened close to December 31<sup>st</sup> including issuance of emergency notes and a tax sale. Additionally, several outstanding checks did not clear the books at the time of our testing on April 30, 2019.

***Recommendation***

All bank reconciliations should be completed on a timely basis. Reconciling items should be reviewed and appropriate adjustment made. Outstanding checks should be monitored and adjustments made if they do not clear the bank within a reasonable time frame.

**Finding No. 2018-009\* – Material Weakness**

**Payroll Account**

***Comment***

As with other bank reconciliations, the Payroll Account was not reconciled on a timely basis. In addition, this account should be maintained on an imprest basis. A detail of all liabilities within this account should reconcile to zero. Payroll transfers are rounded up when made to this account from appropriations. Reserves and liabilities of this account total \$1,078,406.19 including \$463,280.03 which has not been adequately identified. The cash in this account amounts to \$975,280.03, which shows a cash deficiency. The true excess in this account needs to be determined and, as was the case in prior years, taken back in to the Current Fund as miscellaneous revenue.

**City of Orange Township  
Schedule of Findings  
December 31, 2018**

---

***Effect***

Cash is being transferred to the Payroll Account unnecessarily. This cash could be used for other needs within the City.

***Criteria***

Proper control over cash and liquidation of payroll deductions should be established and monitored.

***Cause***

Lack of a system to control over payroll deductions and transfers to proper agencies.

***Effect***

Excess accumulation of cash in this account. Improper disbursement of deductions to the proper agencies.

***Recommendation***

The Payroll Account should be reconciled on a timely basis and any excess funds be transferred to the proper fund as miscellaneous revenue.

**Finding No. 2018-010\* – Material Weakness  
Accumulated Sick and Vacation Pay**

***Comment***

It was noted that accurate records of employee sick and vacation pay are no longer being maintained.

***Cause***

A lack of communication between departments, a manual system and a lack of controls over the required records.

***Criteria***

There is a need to maintain these records for proper budgeting and cash flow requirements.

***Effect***

Large payouts of compensation may not be properly budgeted for and may negatively impact cash flows.

***Recommendation***

The City should have staff to maintain these records and establish communications amongst departments.

**Finding No. 2018-011\* – Other Matters  
Refund of State Board Judgments**

***Comment***

During our disbursement testing, it was noted 5 out of 5 State Board Judgments were not refunded within 60 days as required by law.

***Recommendation***

All State Board Judgments be refunded within 60 days.

**City of Orange Township  
Schedule of Findings  
December 31, 2018**

---

**Finding No. 2018-012 – Other Matters  
Utility**

***Comment***

The City has retained Suez Water to manage the City's water/sewer operations. From the reports reported by Suez Water the City cannot determine certain amounts relating to consumption, interest and revenue recognition.

***Criteria***

Communications of certain utility related amounts should be established and monitored

***Cause***

Since inception, proper lines of communications have not been established over certain financial matters.

***Effect***

The City cannot properly monitor consumption, later payment interest calculations and revenue realization.

***Recommendation***

The City establish lines of communications to enhance the financial reporting between the two entities.

***Management's Response***

The City is reviewing their accounting policies with Suez Water.

**Finding No. 2018-013 – Other Matters  
Uniform Construction Code**

***Comment***

The City was unable to provide the information for the auditor to complete the Uniform Construction Code annual report.

***Recommendation***

We recommend that City implement procedures in order ensure that the State reports are completed and submitted timely.

## **General Comments**

### **Contracts and agreements required to be advertised for N.J.S.A. 40A:11-4**

N.J.S.A.40A: 11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$40,000, except by contract or agreement."

The Governing Body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$40,000 within the fiscal year.

The minutes indicate that resolutions were adopted and advertised, authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5.

Our examination of expenditures did not reveal any payments for contracts or agreements in excess of \$40,000 "for the performance of any work, or the furnishing or hiring of any materials or supplies," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S.A. 40A: 11-6.

### **Pension Eligibility**

The State of New Jersey enacted legislation under Ch. 92 P.L. 2007 and codified under N.J.S.A. 43:15A-7.2 and 43:15c-2b(4). The law establishes that individuals performing professional services 1) under a contract awarded pursuant to N.J.S.A 40A:11.5 and 1 or 2 under an independent contract as determined in accordance with rules and policy of the IRS are eligible for membership in the State's Pension System - PERS. There were no "grandfathering" provisions under N.J.S.A. 43:15A-7.2. The municipalities were required to remove them from the pension roles.

It appears there are no individuals who are enrolled in PERS who do not meet the requirements under the statutes.

### **Collection of Interest of Delinquent Taxes, Assessments and Utility Charges**

The statute provides the method for authorizing interest and the maximum rate to be charged for the non-payment of taxes or water sewer fees on or before the date when they would become delinquent.

The Governing Body on January 9, 2018 adopted the following resolution authorizing interest to be charged on delinquent taxes and sewer accounts:

BE IT FURTHER RESOLVED, that the interest charged on 2018 delinquencies on Tax and/or Sewer by the Tax Collector shall be 8% per annum on the first \$1,500 and 18% on any amount in excess of \$1,500 per N.J.S.A. 54:5-6.

BE IT FURTHER RESOLVED, that no interest shall be charged if payment of any installment is made within TEN (10) calendar days of the due date. If the tenth day falls on a Saturday, Sunday or legal holiday, then the grace period shall be extended to the next business day; and

BE IT FURTHER RESOLVED, that the Collector is authorized to transfer amounts of \$5.00 or less to surplus per N.J.S.A.-C40A:5-17.1.

BE IT FURTHER RESOLVED, that the fee charged for checks returned due to insufficient funds or any other reasons shall be \$25.00, and shall be charged when collecting return check amounts.

BE IT FURTHER RESOLVED, that the fee charged for providing a duplicate bill shall be \$5.00

It appears from an examination of the Collector's record that interest was collected in accordance with the foregoing resolution except as previously noted,



## Delinquent Taxes and Tax Title Liens

The last tax sale was held in December of 2018. Amounts not included in this sale were for amounts in litigation.

## Miscellaneous

A separate report summarizing collections of Dog License Fees and remittances of State Registration Fees was also prepared and filed with the New Jersey Department of Health and the Division of Local Government Services.

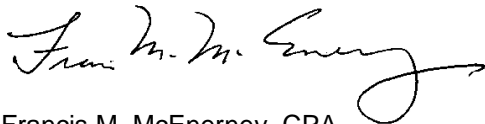
A statutory report on the operations of the Municipal Court was prepared as part of our examination and copies were filed with the New Jersey Administrative Office of the Courts, the Division of Local Government Services, the Municipal Court and the City Clerk.

## RECOMMENDATIONS

1. The City should implement payroll procedures so that required documentation is properly reviewed, approved and retained. The City should ensure that all salaries are covered by either ordinance or collective bargaining agreement.
2. The City should be in compliance with all New Jersey Public Contracts Law.
3. The City should adhere to the public bidding procurement requirements.
4. The City needs to maintain records related to police off-duty activities and to have them available for auditor review.
5. All PILOT agreements should be reviewed for proper budget revenue recognition and compliance.
6. All journal entries be reviewed and approved by management prior to posting in the general ledger.
7. Receivables in various funds should be reviewed for their collectability.
8. The City should implement cash reconciliation procedures in order to ensure that activity is being properly recorded, classified and reconciled.
9. The payroll account be properly reconciled and any surplus funds be recognized as revenue.
10. The City should have staff to maintain accumulated sick and vacation pay records.
11. All State Board Judgments be refunded within 60 days.
12. The City should establish reporting guidelines for utility management reporting.
13. Guidelines for the timely filing of the Annual Financial Report for Construction Code be established.

*PKF O'Connor Davies, LLP*

Livingston, New Jersey  
August 5, 2019



Francis M. McEnerney, CPA  
Licensed Registered Municipal Accountant, No. 539